

OVERSEAS NEWS

Poland's military regime shows growing confidence

BY OUR FOREIGN STAFF

THE POLISH Government now appears confident enough to allow a marginal relaxation of martial law, although there is no sign that Solidarity's suspension will be lifted or its leading activists released.

Church opposition seems to be hardening and Sunday mass was not allowed to be broadcast, although that was one of the original demands of the Gdansk strikers in August 1980.

It is possible that it will enact legislation to place martial law on the statute book, thus allowing the military to withdraw to barracks while maintaining the machinery of martial law.



Mr Nikolai Patolichev

Sanctions warning to West

By Leslie Collet in Berlin

THE SOVIET UNION has warned western European countries which "show overseas pressure," risked forfeiting their position in Soviet foreign trade.

Unemployment figures add to pressure on Schmidt

BY STEWART FLEMING IN FRANKFURT

WEST GERMANY'S Government is coming under mounting pressure to take steps to stimulate the economy and create new jobs following publication last week of unemployment figures for December which were the worst for 28 years.

6.4 per cent in November. Further rises to close to 2m are expected as the winter progresses.

There have been signs in recent weeks of intense activity aimed at finding some compromises. Chancellor Schmidt is expected to have another round of meetings with trade union and business leaders next week to discuss economic policy before the Government publishes its annual economic report.

Mixed reaction to move on Gibraltar

THE Spanish Government's decision to reopen the frontier with Gibraltar on April 20 has been greeted by Spain's political parties and Press with a mixture of caution, relief and, in the case of the extreme Right, strong criticism.

China reassurance

China has said it acknowledges the importance of Hong Kong as a free port and centre of commerce and does not want to see its prosperity damaged, according to Mr Humphrey Atkins, the British Deputy Foreign Secretary.

Mr Atkins was speaking in the British colony before leaving for South Korea on the next leg of his Far East tour.

Syrian mission

Syria's Foreign Minister, Abdel-Halim Khaddam, visited Saudi Arabia yesterday to deliver messages from President Hafez al-Assad to Arab leaders in the Gulf.

Fears for Minister

Malaysia's Foreign Minister, Tan Sri Ghazali Shafie, was reported missing, feared dead last night when his private jet was found in jungle near Kuala Lumpur.

Singapore arrests

Ten people have been arrested in Singapore for allegedly seeking to overthrow the Government "through use of arms."

Pope attacks 'violation of conscience'

VATICAN CITY—Breaking a nine-day silence on the crisis in his homeland, the Pope said yesterday that Poles were being forced to sign declarations which went against their conscience, under the threat of losing their jobs.

Foreign Minister arrives for talks with Gromyko

BY OUR MOSCOW CORRESPONDENT

MR JOZEF CZYREK, the Polish Foreign Minister, arrived in Moscow last night for talks in which he will give details of the past month of military rule to the Kremlin leadership.

Eastern bloc allies, it is clear that Mr Czyrek will be expected to give an account of what the Polish leadership believes it has achieved in the past month.

Auditors condemn EEC cash control errors

BY JOHN WYLES IN BRUSSELS

A COLOURFUL and disturbing picture of inadequate accounting procedures, petty extravagance and misguided administration has been presented in the latest and probably most controversial report yet produced by the European Court of Auditors.

Italy's police hold 'terror strategists'

BY JAMES BUXTON IN ROME

ITALY'S police have achieved one of their biggest successes for nearly a year against the Red Brigades terrorists with the arrest in Rome of a suspected Brigade strategist and nine other alleged terrorists.

Italy's police hold 'terror strategists'

Prof Senzani is a former student of terrorism. He is suspected of carrying out the interrogation of Judge Giovanni d'Urso, kidnapped by the Red Brigades but later released last winter.

WORLD TRADE NEWS

U.S., Japan begin talks to end air routes dispute

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

THE U.S. AND JAPAN are to hold four days' talks in Tokyo from today aimed at breaking the deadlock on how trans-Pacific air services between the two countries should be operated.

and Japanese airlines — with Japan claiming that the existing 1952 arrangement is biased in favour of the U.S.

William Chislett reviews prospects for improved Canada-Mexico trade ties

Trudeau leads drive for nuclear deal

MR PIERRE TRUDEAU, the Canadian Prime Minister, arrives in Mexico Wednesday for a three-day official visit during which he will make an all-out drive to try to win a contract, worth over \$2bn, for the first stage of Mexico's massive nuclear power programme.



Mexico's President José Lopez-Portillo

The two men chaired the recent Cancun north-south summit on World Economic Development and also met President Reagan together last year.



Canada's Prime Minister Pierre Trudeau

Mexico and Canada are also co-operating on a U.S.-inspired plan to develop the Caribbean basin, although nothing has come of it so far since Mexico has taken objection to Washington's attempts to use the scheme to exercise political control over the area.

Travel insurance scheme with Russia implemented

BY ADRIENNE MARGOLIS

A TRAVEL insurance arrangement between the U.S. and the Soviet Union, originally proposed prior to the Moscow Olympics but subsequently shelved, has now been implemented despite heightened tensions between the super-powers.

The American International Group's Soviet specialist Mr Daniel Rishik expects a drop in the U.S. tourist trade to the Soviet Union as a result of the worsening political climate, but said the arrangement remains in force, with negotiations with major U.S. tour operators continuing.

SHIPPING REPORT

Cold snap may help coal prices

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE MOST THAT could be said of shipping markets last week was that the spell of bitter cold weather in Europe might boost coal consumption and lead to an upturn in shipping rates for that commodity.

It seems likely that the coal boom did long-term damage to the market because it triggered off a spate of orders for Panamax vessels in 1979-80.

Table with 5 columns: Country, Nov '81, Oct '81, Sept '81, Nov '80. Includes UK, West Germany, France, Italy, Netherlands, Belgium, U.S., Japan.

Foreign exchange loss feared for Zimbabwe

BY OUR SALISBURY CORRESPONDENT

ZIMBABWE could lose more than \$280m (£35m) a year in foreign exchange unless its preferential trade agreement with South Africa was renewed, according to the Confederation of Zimbabwe Industries (CZI).

Portugal to help in Zambesi hydro plan

By Diana Smith in Lisbon

THE MOZAMBIQUE Government has asked Portugal to play a key role in the construction of a \$600m stage of the Cahora Bassa hydro-electric scheme on the Zambesi, in spite of the fact that the financial headaches of the troubled-planned first stage have yet to be resolved.

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Lloyd's Bill attacked by former committee member

By JOHN MOORE

FORMER senior member of a working committee of Lloyd's London has attacked the Bill Parliament for improving regulation within the insurance market.

Mr Robert Kain, who resigned from the Lloyd's committee at the end of last year over other differences and "a lack of openness" over the way the chairman and two deputy chairmen, Lloyd's were elected, has told Peter Green, Lloyd's chairman, that "in my view the Bill is not in the best interests of Lloyd's."

His comments have come just 10 days ahead of a rare general election, to be held on Wednesday for the vacancy in the committee which he has retained. In one of the biggest news of political in-fighting, two candidates are running for the election—Mr Ian Posgate, the controversial underwriter, and Mr Peter Daniels.

Mr Kain's criticisms are that the Bill:

- Gives too much power to the Lloyd's committee and a new ruling council, created by the Bill.
- Does not set out the fundamental principles of the relationship between the council and the members of Lloyd's.
- Is wrong to require mandatory sales of Lloyd's insurance brokers' shareholding links with underwriting management agency companies—the groups which run underwriting syndicates.
- Should not require segregated elections for future elections to the ruling council.
- On the proposed segregated

elections to the council, Mr Kain, who heads a leading independent Lloyd's underwriting agency, feels it is wrong, as proposed by the Bill, that only working members of Lloyd's will be able to vote for other working members on the new council. Non-working members, who account for about three-quarters of the 20,000 membership, will be able to vote only for non-working members on the council. He believes all Lloyd's members should be able to vote for both classes of members in a single selection.

In the election for the Kain vacancy, Mr Ian Posgate, who underwrites for the largest syndicate at Lloyd's, is running against Mr Peter Daniels, managing director of Lambert Brothers (Underwriting Agencies).

Whitelaw hits at Tory law and order critics

By Our Political Staff

MR WILLIAM WHITELAW, the Home Secretary, tonight criticises some members of the Conservative Party for seeking quick and easy—and unwarrantable—solutions on law and order issues.

Speaking on the Tynes Tees programme "Briefing," which is to be broadcast tonight, Mr Whitelaw also confirms his intention of bringing proposals before Parliament in the next few months to amend the existing police complaints procedure.

Mr Whitelaw explained why he looked unhappy after the Tory Party conference debate on law and order in October when he was heckled by some in the audience. "What I felt distressed about was that on television my own party were trying to act with slogans in an area which does not permit the use of slogans.

"They were taking easy solutions in an area which requires a great deal of hard work from a great many sensitive and sensible people right throughout the law and order services. They (the problems) about capital punishment and corporal punishment.

"Those are just slogans and they won't solve the complex problems in themselves and can't."

Regarding the existing police complaints procedure, Mr Whitelaw says "we have all got it wrong and we have got to change it." He feels that the present system is "far too bureaucratic" and says he is working "towards a system with some independence for the most serious cases while minor cases could be handled by old-fashioned conciliation."

He says he will try to get "the maximum amount of agreement" within the next few months, and put "proposals to Parliament giving the best deal we can get with all the conflicting pressures."

Mr Whitelaw concedes that one of the present problems is that young policemen are put on the streets with too little experience of how to talk to people.

"It is not easy, particularly when confronted with some rowdy mob, to be nice to them and try to reason with them."

De Lorean onto three-day week amid talks on credit guarantees

BY JOHN GRIFFITHS

DE LOREAN'S Belfast car assembly plant starts three-day working today while negotiations continue with the Export Credits Guarantee Department for a \$60m to \$70m (£31m to £36m) credit guarantee line to ease working capital and cash flow problems.

Negotiations on such a guarantee—the lack of which is described by Mr John de Lorean, the sports car company's chairman, as "the biggest problem facing the company"—are understood to have reached a critical stage.

Mr De Lorean yesterday denied that, following the indefinite postponement of last week's planned \$12m share issue in the U.S., he was seeking to sell off the company, for which the UK

Government has put up nearly £80m in loans, grants, equity and bank guarantees.

He confirmed, however, that De Lorean would continue to seek further private investment, possibly through a partnership.

The Government would welcome such a move, subject to satisfying itself about the bona fides of any partner. It has been an integral part of the agreement signed in 1978 that De Lorean would use its best endeavours to bring further private financing into the operation.

While the decision to halve car output immediately from 400 to 200 a week is attributed partly to the Sealink ferry strike which is holding up component deliveries, there are two more fundamental reasons.

The first is a fierce recession in the U.S. new car market — which has rendered De Lorean's first year forecast of 20,000 sales optimistic. The second is the current constraint on De Lorean's export financing.

This is currently carried out under a private arrangement at commercial rates with Bank of America and is operated on a \$30m ceiling.

An ECGD guarantee arrangement holds out the advantage of both the prospective higher ceiling and interest rate subsidies under which export finance can be obtained at a slight margin over base rate.

With it, De Lorean believe it should be able to survive until the expected U.S. car market upturn in the spring.

Prizes of £150,000 for small businesses

By Tim Dickson

A COMPETITION with one of the biggest-ever pots of prize money for small businesses is launched today by Hill Samuel, the UK merchant banking, insurance and ship-pink group.

To mark its 150th anniversary Hill Samuel is providing £150,000 in a number of incentive awards to encourage the growth of small manufacturing companies.

The awards will take the form of unconditional cash contributions to the capital of businesses that can demonstrate the best growth potential, technical innovation, management skills and how the impact of the prize money would accelerate expansion.

The winning company will receive £50,000 with the remainder distributed among four others at the discretion of the judges.

The panel will be headed by Sir Michael Edwardes, chairman of BL, and will include Mr Ian Hay Davison, managing partner of accountants Arthur Anderson; Sir Ernest Harrison, chairman of Racal; Mr John Ralsman, chairman of Shell UK; and Sir Graham Wilkins, chairman of the Beecham Group.

"We thought it would be appropriate to mark our 150th anniversary in the City with an incentive award that we hope may bring out and spotlight the business talent so necessary to industrial recovery," Sir Robert Clark, chairman of Hill Samuel and a member of the judging panel, said yesterday.

To be eligible for the award a company must be in manufacturing, independent, British, at least two years old and have an annual turnover of less than £2m.

The awards are being organised with the assistance of the London Enterprise Agency and its regional counterparts. Application forms are available from Hill Samuel Group, "Anniversary Awards," 100 Wood Street, London EC2P 4ZJ, or any of the enterprise agencies. Closing date is March 31, and the results will be announced on October 27. Men and Matters, Page 18

Co-op Bank and Society in dispute

By WILLIAM HALL, BANKING CORRESPONDENT

MEMBERS of the Co-operative Bank in Ilkeston, Derbyshire, could soon be without local banking facilities, following a dispute between the local co-operative society and the Manchester-based bank.

The local Co-op, which operates one of the bank's handbanks in its store, intended to introduce today a 30p charge for customers cashing cheques outside normal banking hours.

The Co-operative Bank, therefore, has withdrawn the society's agency agreement to operate a Handbank, taken down the bank's sign, and plans to remove bank stationery.

The local Co-op says the bank does not pay it enough to offer full banking facilities outside normal banking hours. It intended to recoup some costs by imposing a charge.

The bank pays Ilkeston Co-op 5p for every cheque cashed and £1.50 per £1,000 of turnover. The local society employs four cashiers and a banking supervisor. It says the Co-op Bank commission paid does not cover wages for one cashier.

It says it cashes 6,000 cheques a week and provides facilities

for 1,000 Co-op bank customers in Ilkeston.

The society has 24,000 members in the area and feels these are subsidising provision of banking facilities.

The Co-operative Bank is one of the smallest and most aggressive banks in the retail banking market. Although it has only about 70 branches, it has effective national coverage through its network of 1,000 in-store Handbanks in Co-op stores.

In addition to providing standard facilities they stay open in normal shopping hours, whereas clearing banks' branches close in the early afternoon.

EEC jobless 'will hit 13m by 1985'

By DAVID MARSH

DEPRESSED economic growth and the large number of young people coming on to the labour market will ensure that unemployment in EEC countries will continue to rise well into the 1980s, according to a gloomy Cambridge University report on the outlook for the Community.

By 1985, 15m people, or 12 per cent of the labour force, could be out of work in the EEC. The report—from the Department of Applied Economics—says unemployment could rise to 15 per cent or more in the worst affected countries—the UK, Belgium and Ireland.

The report argues that EEC governments have exacerbated the recession by adopting the wrong approach to the increased

cost of fuel imports. Instead of showing oil prices to rise sufficiently to stimulate effective action to ease energy shortages, they have held down demand for oil by adopting restrictive policies to curb growth.

The report is pessimistic about the chances of economic recovery. This would require, it says:

- High government borrowing as the necessary counterpart to surpluses in the Organisation of Petroleum Exporting Countries;
- Increases in the price of oil to encourage new energy supplies and fuel savings;
- Much more aid to low-income countries worst hit by the oil price rise.

Even if energy problems could be overcome and export

State industry borrowing proposal

By DAVID MARSH

A NOVEL way to increase capital investment by nationalised industries without imposing extra burden on public borrowing has been suggested by the Institute of Directors.

In a paper put to the Institute the institute proposes nationalised industries be allowed to borrow from the public through issues of securities which are only partially guaranteed by the Government.

Extra money approved could be used to boost their spending

on capital investment projects. It says British Telecom would be an appropriate candidate for such borrowing.

By lowering the Government guarantee from the 100 per cent conventionally in force on such loans, the institute argues, nationalised industries could borrow more without adding to the public sector borrowing requirement, which might even be reduced.

For example, the Government could guarantee a £100 stock

More distribution business failures

FINANCIAL TIMES REPORTER

BUSINESS failures last year in retail and wholesale distribution were 27 per cent up on 1980, according to Trade Indemnity, the credit insurance company.

In the furniture and upholstery trades they rose 17 per cent. In contrast the increase in failures in textile and clothing businesses and in engineering and metals, at 7.4 and 7.1 per cent respectively, was well below the 16 per cent average increase for all sectors.

Trade Indemnity suggests a clearer picture of the severity of the recession emerges from comparing the number of notified failures in 1979 against those for 1981.

In that case, engineering and metals shows a 130 per cent jump, textile and clothing 129 per cent, retail and wholesale distribution 124 per cent and furniture and upholstery 110 per cent.

"These latter two sectors felt the effects of recession later and



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UK NEWS

Helicopter manufacturers forecast expanding market in company sales despite recession

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE MARKET for company-owned helicopters for executive use in the UK is growing despite the recession.

According to Mr Robin Keith, managing director of McAlpine Helicopter, one of the biggest helicopter operators and distributors in the country, this expansion is likely to continue during the coming year.

"We now have companies operating one or more helicopters who achieve utilisation figures unheard of several years ago, and for whom their helicopters are an indispensable part of their efficient operating pattern," he said at the weekend.

Civil Aviation Authority figures show 558 civil helicopters on the UK register, a rise of 38 over the previous two years.

Westland Helicopters last week delivered the first of a new breed of civil helicopters, the 16-passenger W-30, to British Airways Helicopters, which may eventually buy a fleet of up to 20.

The introduction of the experimental City Helicopter, on a floating platform on the Thames at Trigg Lane, close to Southwark Bridge, has improved helicopter facilities for City businessmen.

Mr Keith says flying time to the central Paris heliport at Issy-les-Moulineux is about 1 hour 20 minutes, with no check-in delays and minimum Customs formalities.

The Trigg Lane Helicopter is being run under the auspices of the British Helicopter Advisory Board, which represents manufacturers, operators and distributors, and is intended to promote and exploit rotary-winged aircraft.

Rolls-Royce cuts 480 jobs at Hillington

ROLLS-ROYCE is to cut 480 jobs at its Hillington plant near Glasgow, it told union representatives at the weekend.

Industrial training plans face a union hurdle

THE GOVERNMENT will discover this month whether it has been able to retain the trade union support crucial to its hopes of successfully reforming industrial training.

The Government has failed to explain how, without statutory underpinning, sufficient resources would be found to run an effective training system. Its approach to allowances for youth training was unjustifiable.

Engineering is a vital testing ground for training reform—it has suffered some of the most marked shortages of skilled workers during previous periods of economic upturn and apprentice intake this year is the lowest on record.

360 years of coal reserves left-NCB

THE National Coal Board has issued a fresh broadside in a long-standing dispute over Britain's coal supplies with a declaration that the UK probably possesses 45bn tonnes of recoverable reserves.

Amersham International to come on to the market shortly

AMERSHAM INTERNATIONAL, the oldest component of Britain's nuclear industry, comes on to the market shortly following the Government announcement just before Christmas that the company's shares were to be made available to the public through a flotation on the Stock Exchange.

David Fishlock looks at a rare chance to invest in the nuclear business.

Amersham began in 1940 as a private company called Thorsium, in the Buckinghamshire town of Amersham, making luminous paints for tank and aircraft instrument-panels throughout the Second World War.

Agents doubt short-term investment in property

A REPORT casting doubts on short-term attractions of commercial property as an investment option is published today by Richard Ellis, the estate agents and surveyors.

OPEN ALL WEEK BOAT SHOW 1982 EARLS COURT - Until Sun JAN 17th

Resignation withdrawn

MR ALAN WRIGHT, chairman of the Northern Ireland Police Federation—representing ranks below superintendent in the Royal Ulster Constabulary—has withdrawn the resignation which he tendered last week because of "political interference" in the federation's activities.

Come and enjoy this super display of racing and cruising yachts, motor sailers, cabin cruisers, inflatables, runabouts, multihulls, holidays afloat and even something for the angler!

Who put an airtight case to Continental Can? Who else but Wrexham. Wrexham, where the American company Continental Can found a home from home back in 1980.

BL prices rise

BL HAS followed the recent example of Ford and Vauxhall by giving advance notice of car price increases to stimulate sales during a period when demand is usually low.

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Ford faces pay test as Halewood workers vote to end strike

BY JOHN LLOYD, LABOUR CORRESPONDENT

WORKERS at Ford's Halewood plant on Merseyside, yesterday voted by a large majority to return to work today, ending a four-day unofficial strike at a cost estimated by the company to be around £16m.

About half of the plant's 10,000-strong workforce met on a Liverpool football pitch, and decided to end their stoppage after "shop stewards" reluctantly recommended acceptance of a 7.4 per cent pay offer. The offer had received majority backing from the company's 54,000 workers in the UK in a ballot last week.

At the smaller axle plant in Swansea, workers who had also taken industrial action did not meet because of the weather. However, they are expected to return to work today.

Workers and stewards expressed loud disappointment over the settlement and it is clear that the productivity package, which has been agreed by the union officials at national level, faces a number of tests at plant level in the months ahead.

Mr Steve Broadhead, body plant convenor at Halewood, said after the meeting: "We still believe that this was a diabolical pay offer. We are going back because we will not leave our people out of a lmb."

"What we have got to do now is wait and see what is the company's interpretation of it. We will impress upon them that they need a consensus of opinion from the shop floor."

Union officials and management meet in London tomorrow to formally record agreement and discuss details of the productivity package.

The two crucial elements in the package are the company's call for an end to inefficient demarcation practices, and to local agreements which obstructed necessary change.

The unions have agreed to plant-level talks on both these issues, although the company in the course of the prolonged negotiations had to agree to drop incentive or penalty clauses which sought to impose a discipline upon the productivity package.

The company has stressed continually that a successful implementation of the efficiency proposals is essential for its "survival". Clearly, the present agreement leaves much to the discretion of negotiators on both sides; while the relative closeness of the aggregate vote to accept the offer, coupled with the disaffection of large plants like Halewood, could endanger its success.

Sirs steeled for hard fight to stop jobs rundown

BRIAN GROOM explains why the ISTC leadership is taking a lone stand against BSC's plans for another 15,000 redundancies

TWO YEARS after a bitter, 13-week national strike over pay, one of Britain's most moderate unions — the Iron and Steel Trades Confederation — is again on a collision course with the loss-making British Steel Corporation.

Unions representing nearly half of BSC's 107,000 workforce have accepted that there will be no national pay award — due on January 1. They will negotiate increases in lump-sum bonus schemes locally, in return for productivity measures — including a new round of 15,000 jobs cuts by March 31, 1983. Some local deals have been signed already.

But the ISTC, the biggest union within BSC, has called on members to ban overtime from February 7 — an act of lone defiance.

By that time the miners may be on strike. If the British Rail productivity dispute is still rumbling on, there will be trouble in all of the industries covered by the triple alliance of coal, steel and rail unions.

Mr Bill Sirs, ISTC general secretary, has no intention of invoking the formal alliance — which is essentially to act over closures — but there are strong

BSC has warned that action would threaten its fragile recovery and plants closed are not certain to reopen

links between these groups of workers in areas such as Yorkshire and Scotland. Simultaneous disputes in the three industries could prove a heavy blow.

What has stirred the ISTC to action? There is not one reason, but several:

- The 15,000 planned job losses emphasise the continuing haemorrhage which has seen more than 120,000 jobs go since 1973, three-fifths of them in the last two years. The union fears still more redundancies after BSC achieves its planned 92,400 job levels by March 1983.
- The ISTC claims that proposed local productivity deals represent "an attack on job control" by stretching manning to breaking point, loosening demarcation lines, introducing more overtime, and demanding

the surrender of union rights on many issues.

- The union believes BSC has reneged on a commitment to introduce a 39-hour week from this month. The corporation has offered the one-hour cut from January, 1983.
- The ISTC became incensed before Christmas about the prospect of new redundancies taking place at Port Talbot before it had agreed to the local negotiations.
- Although ISTC leaders are displeased by the lack of a national pay deal, it is not the central issue. Nor is the level of pay rises — probably equivalent to about 5 per cent — which might result from the local deals, although the union has demanded that at least 50 per cent of the money be paid on basic rates so that there is some permanent benefit.

There seems a greater will than hitherto to resist job losses. But most of all, these factors together have built up massive frustration at the union's apparent inability to stem what it feels to be a relentless tide of bad news.

The ISTC executive is so confident its call for an overtime ban will be obeyed that it has taken no decision on disciplinary action against members who disobey.

Several factors can be cited to justify its optimism: representatives from areas like Scotland and the Midlands have reported great anger; steel workers showed unity and strength of purpose during the 13-week strike; there is a strand of political militancy in the ISTC, despite its moderate leadership — as evinced by new changes in the executive which have pushed it leftwards and by a number of calls for a strike; and finally, after heavy redundancies, many of the workers left do not want to lose their jobs now without a fight.

BSC managers, however, predict difficulties for the ISTC in persuading members to forego overtime earnings. They suspect that February 7 date has

More than 120,000 steel jobs have gone since 1973... and the ISTC fears still more

been set because the union needs the delay to win over its members.

An overtime ban may prove harder to unite around than a strike as greater sacrifice will be demanded from some workers than from others and there will be nothing to match the comradeship of the picket line.

There may be the problem that the length of time taken to call the ban could be seen as uncertain leadership. And fear of closure will weigh on members' minds at some plants.

BSC has said that even partial support for the ban would threaten its fragile recovery in orders. Total support would pose severe difficulties at some works and BSC

has given no guarantee that plants would reopen if they closed.

Mr Sirs argues that the action is not intended to disrupt but to force BSC to take on workers. He would like to save and create jobs by continuing indefinitely without overtime.

At Corby, 24 per cent overtime is being worked, while thousands of our members are walking the streets.

Disruption is the aim of many ISTC members, however. There has been pressure for lightning stoppages, or even an indefinite strike. Some believe the overtime ban could provoke walkouts and escalate into an all-out confrontation — although the union is in no shape to sustain another 13-week strike.

The ban may not happen at all, however. There is time for a peace initiative and some kind of approach is expected from the corporation.

The ISTC, hoping that job losses would be resisted locally, said last month it would agree to local negotiations if it won a 39-hour week now, 50 per cent of rises on basic pay, and withdrawal of Port Talbot dismissal notices.

Movement on one issue may sway the union. But BSC has refused to budge. It is convinced that further productivity advances are an important part of attempts to end its losses.

Rail drivers set to go ahead with stoppage

By Our Labour Correspondent

THE THREATENED national rail strike looks set to go ahead on Wednesday and Thursday as both British Rail and the train drivers union Aslef continue to insist on widely-differing interpretations of an agreement over manning and pay.

Aslef's executive meets today to consider attending a meeting of the railway staffs national council, called by the biggest rail union, the National Union of Railwaymen.

The NUR wants to discuss both the 3 per cent increase to drivers — of whom it organises some 500 — and the broader issues surrounding BR's productivity proposals.

The NUR, together with the railway staffs union TSSA, has agreed on the package, but has also agreed with Aslef that the 3 per cent should be paid. BR says it will not pay until the drivers at least agree to discuss the principle of flexible rostering.

Sir Peter Parker, BR's chairman, has written to his biggest customers — like the coal and electricity boards, and big chemical and car companies — explaining its stance and asking for their continued custom even if the two-day strike goes ahead.

Talks hopes in ferry row

By Our Labour Correspondent

TALKS between Sealink, BR's ferry subsidiary, and the Merchant Navy and Air-Line Officers' Association may get underway this week, following an exchange of letters between the company and the union.

A strike by the officers, over the company's plans to make some 100 officers redundant, seriously disrupted the group's ferries.

The executive of the National Union of Seamen meets today to consider whether or not to join the action.

It has sent an "urgent message" to Mr David Howell, Transport Secretary, asking him to put pressure on the company to "adopt a more responsible approach

Weather damage bill could reach £100m

BY ERIC SHORT

THE BLIZZARDS sweeping the country and the severe flooding in York, Selby, Gloucester and other areas have brought widespread problems and heartache to many families. The winter, could cost UK insurance companies up to £100m.

Underwriters are still trying to count the cost of December's snowstorms, which has to be included in the companies' 1981 results. Estimates indicate at least £30m, the true cost will not be known until April when the companies publish their 1981 figures.

Underwriters have not bothered to keep a running total of claim payments since the turn of the year. Until the bad weather ends, they will be much more concerned with ensuring that claims are dealt with promptly.

Companies will probably give some indication of overall costs when they publish their 1981 figures, and the final figures will become clear after they announce their half-year results for 1982.

Total claim payments are almost certain to exceed the £65m pay-out for 1978-79 and £100m is quite feasible. It is perhaps fortunate that this can be spread over two account years.

But this is not the end of the story for the UK composites. The severe weather has also changed their methods of operating UK business, because it ends the favourable conditions on the account.

On the surface, everything looked bright in the UK, except for liability business, amid the gloom of poor conditions in the other major markets. Fire losses have been running at a much lower level, the number of motor claims has fallen and the industry benefited generally from two successive mild winters in 1979-80 and 1980-81.

The companies are still seeing rapid premium growth, particularly in personal insurance business, because of the indexation of premiums and sums insured.

This favourable claims experience, however, has masked several disturbing underlying features. In particular, there has been little growth in the commercial side of the business because of the recession. In addition, this is a sector with fierce competition from overseas companies.

Expenses have been rising faster than premium incomes. The latest survey from stockbrokers W. Greenwell shows a 2 per cent increase in staff numbers and a 23 per cent rise in the UK salary bill for nine major groups, reflecting the fact that staff have been obtaining salary rises well above the national average.

Non-life premium income rose by only 18 per cent over the same period.

So it has not been surprising to find companies competing heavily with each other for personal business, where premium growth is in line with inflation and there is little competition from overseas.

The composites have used the favourable claims experience to hold down premium rate increases in an effort to increase their market share or to hold what they have.

This competition has been particularly fierce in the private motor market, where companies have been keeping premium rates unchanged for longer periods in the 1970s.

General Accident, the largest motor insurer in the UK, has kept its motor rates unchanged for 18 months.

The effects of this competition can be judged when the composites publish their 1981 results.

But what is certain is that the companies relied on another mild winter keeping claims down, and this calculated gamble has not come off. Now they have to decide whether they can really afford to continue rate-cutting, since unchanged rates in inflationary times means lower rates in real terms.

Policy holders can expect vastly higher premiums in the next few months. If only one or two companies lift their rates to realistic levels the rest will follow.

Stockbrokers Wood, Mackenzie, in their latest circular, are very pessimistic about results for 1981 and now expect a 12 per cent fall in earnings for the industry.

Shareholders can take heart that, despite the weather, Wood, Mackenzie also forecast that results will not affect dividend payments, which they expect to be 14 per cent higher than in 1980.

Threat to halt papers

BY OUR LABOUR CORRESPONDENT

JOURNALISTS working for the Express group intend to stop publishing their newspapers from Wednesday night if they do not receive assurances from the group's owner, Trafalgar House, that their jobs are safe.

The group's two daily papers, the Daily Express and the Daily Star, and its Sunday paper, the Sunday Express, are all threatened.

However, the Evening Standard, which the group owns jointly with Associated Newspapers, will not be affected.

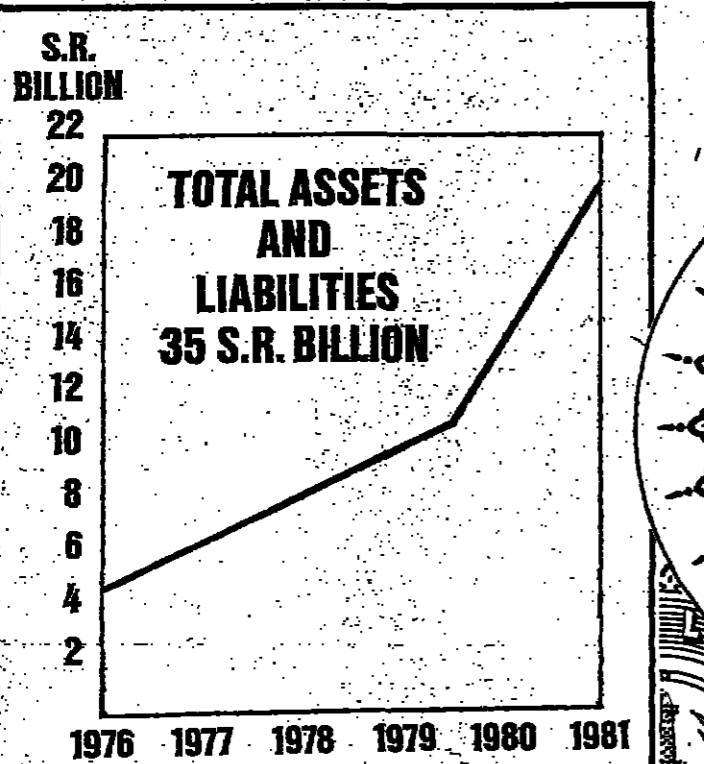
The journalists are concerned that the "demerger" of the group from Trafalgar House, which will be put to Trafalgar shareholders for their approval in January 21, will result in the sale or closure of some of the papers. It is understood that

the Daily Star is losing about £1m a month, although the journalists believe the Daily Express is breaking even and the Sunday Express is still in profit.

Mr Peter Shirley, father of the Sunday and Daily Express chapels (office branches) in London, of the National Union of Journalists, said last night: "We will continue a mandatory chapel meeting from four on Wednesday until we get satisfactory assurances."

"We see this very much as a last chance — after January 21 the demerger will have taken place."

Mr Shirley said it would be impossible for the newspapers' management to produce the papers without the co-operation of the NUJ.



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Celebrates its 25th Anniversary

Riyad Bank (the first fully indigenous joint stock banking company in Saudi Arabia) prides itself on the pioneering role it has been playing over the last twenty-five years for serving all sectors of the national economy, apart from its prominent role in international markets.

While commemorating its twenty-fifth anniversary Riyad Bank has great pleasure in expressing its gratitude to its correspondents the world over for their kind cooperation, and to its esteemed customers for the valued confidence they have reposed in it over the past years. It is this confidence that will continue to light the bank's way towards development.

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The first wide-body jet under \$35,000,000. In fact, under \$10,000,000.*



It is an immutable law of air travel that, after a couple of hours or so, the joy of flying will inevitably take second place to the need for stretching.

Yet the typical corporate aircraft remains the same cramped and narrow tube it always was.

Capable, by the end of a six- or eight-hour trip, of transforming an alert and motivated group of executives into a motley collection of people who just want to lie down.

The designers and engineers at Canadair are, of course, as familiar with this state of affairs as are any of their competitors.

However, unlike any of their competitors, they have created a corporate jet specifically designed to cope with it.

Despite its remarkably efficient rate of fuel consumption and high cruise speed, the Canadair Challenger is bigger than every other corporate jet in the one dimension most critical to passenger comfort and a realistic working environment.

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Stand up. Walk around.

And while other corporate jets offer six feet, one inch of headroom like the Challenger, none offers as much headroom away from the center of the cabin—another advantage of width.

Of course, there are other dimensions to comfort in the Challenger. The twenty-eight-foot, three-inch length of the interior, for one. Allowing plenty of room for a galley, a wardrobe, a lavatory and seats that fold out as berths for sleeping.

The floor of the Challenger, incidentally, is flat. No troughs to fall into when you get out of an aisle seat.

The baggage area is accessible from inside the passenger cabin. When it occurs to you that you left that all-important whatever-it-was in

your suitcase, you won't have to wait six hours to get at it.

As for those who would willingly sacrifice creature comfort in return for greater economy, we can only say that such altruism is entirely misplaced.

The Canadair Challenger happens not only to be the most comfortable corporate aircraft in the sky, but, given its size, the most economical.

In fact, the Challenger is virtually as fuel efficient as some smaller corporate jets with shorter range.

And speaking of range: The IFR range of the Canadair Challenger makes it one of the few corporate jets in existence that can cross the Pacific with one stop.

Or fly from New York to the Middle East with one stop.

Or fly from Honolulu to Denver non-stop.

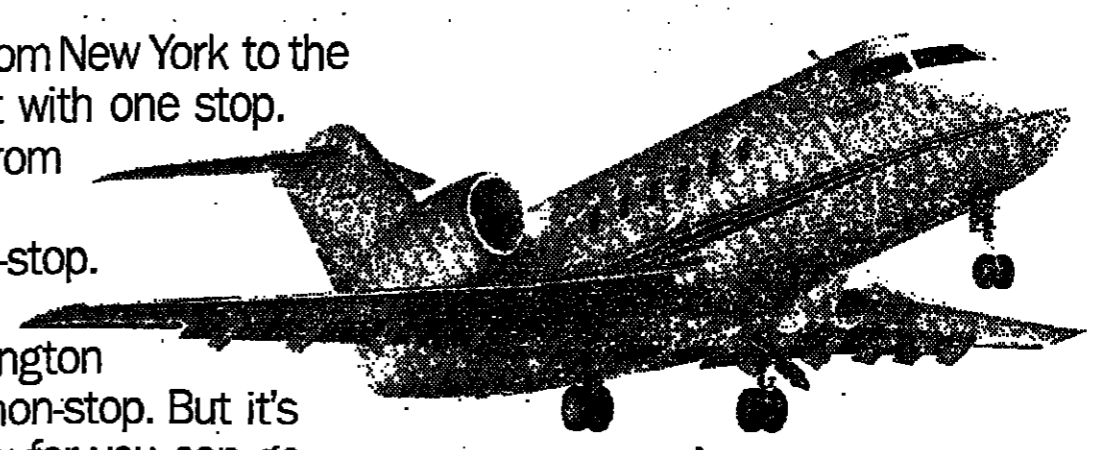
Or from Washington to London non-stop. But it's not just how far you can go. It's the shape you're in

once you get there.

For more information on the Challenger, call James B. Taylor, President of Canadair Inc., at (203) 226-1581. Or write Canadair Inc., 274 Riverside Avenue, Westport, CT 06880.

In the Mideast business world, TAG Aeronautics Ltd. is the exclusive distributor and representative for Challenger sales and support.

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canadair
Challenger

*Based on current prices which are subject to escalation and may be changed without notice.

GOODBYE DATASAAB

- What's happened?
- Datasaab is no more.
- What, the company?
- No, just the name.
- Well, haven't you got a new name?
- Of course. We were given it as a New Year's present.

HELLO, ERICSSON INFORMATION SYSTEMS

-Datasaab? Ericsson Information Systems? What's going on?

-Yes, it is a bit complicated at first. I'm not really used to it myself yet. Let's take it word by word. You start.

-Datasaab. Let me see. To me Datasaab means Alfaskop and bank terminals. And business systems Series 16. And didn't I read something about you being taken over by some telephone company?

-That's right. Ericsson. Although "some telephone company" is no way to talk about one of the world's leading telecommunications suppliers. The Ericsson Group has over 70,000 employees spread throughout 100 countries. So we're not lacking in resources. Or technical know-how.

-OK, then I suppose the word Information refers to this new office automation age the papers have been full of lately. Just about every computer supplier is talking about systems that

can communicate with each other, no matter where they are, and telephones and teletex and distributed data processing and...

-You're on the right track. But watch out for the people who sold that very fine cloth to a certain king. They're still around. And for others making claims they will have a hard time justifying. To make the kind of systems we're talking about demands a very high level of system know-how. It also demands access to considerable resources and the ability to coordinate them within a number of decisive system areas.

-Systems?!

-Ericsson Information Systems! A completely new company created by the Ericsson Group through a merger of three different company units, each with a unique area of competence needed to develop a genuine integrated information system. You'll hear from us soon.

ERICSSON 

FINANCIAL TIMES SURVEY

هنگامی که

Monday January 11, 1982

BELGIUM

A new Government, pledged to a tough economic recovery programme, is taking over at a time when either success or failure could significantly alter the course of modern Belgium. It could, with luck, lead the nation away from political and economic chaos, or provoke on the other hand a dangerous widening of the gap that already seriously divides the country's Flemish and French-speaking communities.

The new men face a rough future

By Giles Merritt and Larry Klinger

BELGIUM HAS a new government. It is not just a new coalition in the sense of being the 36th-fimsy political patchwork in 37 years, it is a new style, firm government of the Centre-Right.

It is arguably the most important development in the country's affairs for some years, for it can be looked at in two ways, either of which could change the face of Belgium.

The new Christian Democrat-Liberal administration, announced by Mr. Wilfried Martens in the pre-Christmas lull of 1981 could, with luck, be the strong Government that the country has been looking for since the mid-1970s to lead it away from political and economic chaos. Alternatively, it could be the detonator to blow Belgium apart.

The two possibilities are starkly different, and it may well be that the re-appearance of the evergreen 45-year-old Mr. Martens at the head of what is his 36th government in less than three years is largely responsible for the undramatic fashion in which many Belgians have observed the arrival of the new regime. In terms of popular impact, Martens V, as the new coalition is laconically referred to, has so far been neither less nor more controversial than Martens IV or the government of Mr. Mark Eyskens that intervened between the two.

So why should this latest Belgian government be so much more important? The reasons are straightforward enough. This one lacks the participation of Belgium's Socialists, which is to say that the most powerful representatives of the country's francophone Walloon population are excluded from office. The idea is that without the drag of Parti Socialiste participation in government, the Centre-Right coalition of Christian democrats and even more conservative Liberals will be able to cut government spending and restore sound management of the economy.

There is a great deal to be said for the new streamlined Government. Not least is that, unlike most Belgian coalitions, it does not represent some 80 per cent of political opinion and therefore does not contain the seeds of its own destruction. The members of the new government are unusual in Bel-

gian politics — they all think much alike. On a practical level, this government is also committed to tackling economic problems that if allowed to drift out of control any longer could prove disastrous. The four major planks of the new administration's platform are as follows. It will cut back hard on Belgium's runaway government budget deficit, reducing it in 1982 to only BFr 200bn by cutting away a likely BFr 127bn in projected spending. Adopting a modified "supply side" approach, it plans to regenerate industrial investment and stimulate exports through selective tax cuts. It also plans to "price Belgium back" into renewed economic activity by modifying the index-linked wage increases system launched 80 years ago with the object of making Belgian workers accept real wages moderation and even cuts. In what, for Belgium, looks like a blueprint for government by "diktat," the new coalition intends to slice through the country's talking shop parliamentary procedures and award itself "special powers" designed to override the debating that can delay executive action.

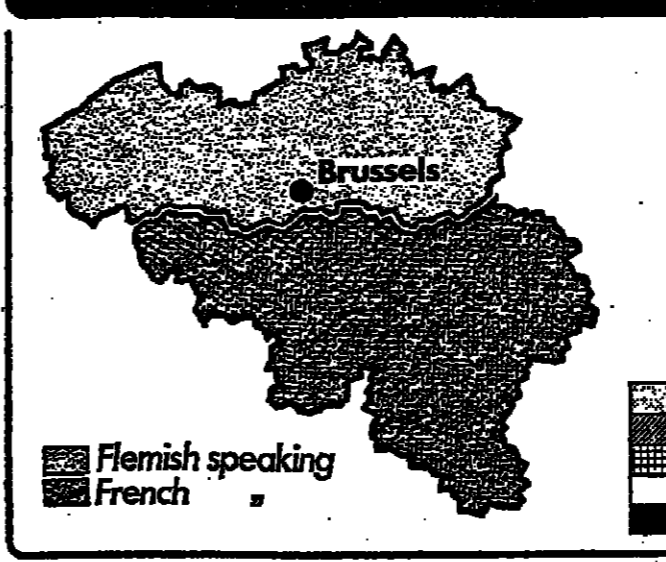
Wealthy

For all its faults, Belgium is still a remarkably wealthy country with about the third or fourth highest standard of living in Western Europe. Yet it has been eating its seed corn for at least the past five years and now treads — though this might surprise the Turks, let alone many other EEC member states — to refer to itself as the

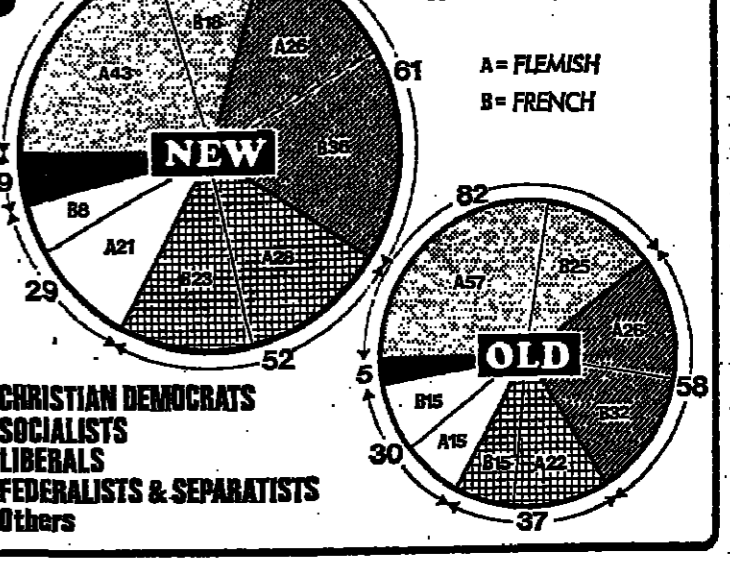
sick man of Europe. For many Belgians, the Martens V regime is just what the doctor ordered. If the new government can reverse the trend of public indebtedness that is dragging the entire economy downward and at the same time streamline industry so that its international competitiveness is maintained and even sharpened, then its somewhat draconian character will have been justified. The snag in all this is that dispensing with the support of the country's Socialists, particularly the Walloon Socialists, is very much a two-edged sword. The Socialists may well have been a drag on the streamlining of public spending that could have averted the present deep economic crisis in Belgium, but their drag was that of a sea anchor. Without their involvement in government, the coalition becomes inherently unstable.

The problem is much more profound than the possibility that a Belgian Government used to being a forum for most deep economic crisis in Belgium turned broadside on to the waves of dissent. For the cuts that the tough Centre-Right coalition says it is determined to make will inevitably fall the heaviest on the Walloon Socialists' political constituency. In addition to defence spending, where reductions would inevitably worsen Belgium's position as a weak link in the Nato chain, the axe is likely to fall on infrastructure spending and even on debt benefits. Wallonia, where nearly 40 per cent of the votes are cast, is liable to react sharply. The very real danger is that the separatist pressures

A NATION DIVIDED



Parliament



that have been building up there could be triggered by the actions of a government that Walloons regard as "undemocratic." The need for the special powers sought by the new Government has already been rigorously questioned in the House of Representatives, especially, but not exclusively, by the Socialists, and the proposals still must be examined by the Senate.

The Government remains convinced, however, that its majority in the House—albeit a slim six—will hold and is aiming for final overall parliamentary approval by next month.

Responsible The Cabinet is further encouraged by signs that a significant portion of the Opposition, while pleased to be seen to make stern speeches against the measures, are actually in favour of the economic programme as long as they cannot be held responsible by the electorate for its enactment.

Mr Martens and his colleagues feel that the greatest danger to his programme, and to the stability of the country, will come when the measures begin to bite and they are acutely aware that the country's divided political and social structure presents ample opportunity for serious quarrels to erupt at any time.

If the new Centre-Right configuration can conjure up a successful way to cut public spending while at the same time granting tax concessions and limiting rises in taxable incomes and control the rise in unemployment—now at 13 per cent—it might escape the threat of widespread strikes.

Despite signs that workers are increasingly reluctant to take action that might mean the possibly irrevocable disappearance of more jobs, protest stoppages can break out at any moment, especially in the economically depressed, steel-based South.

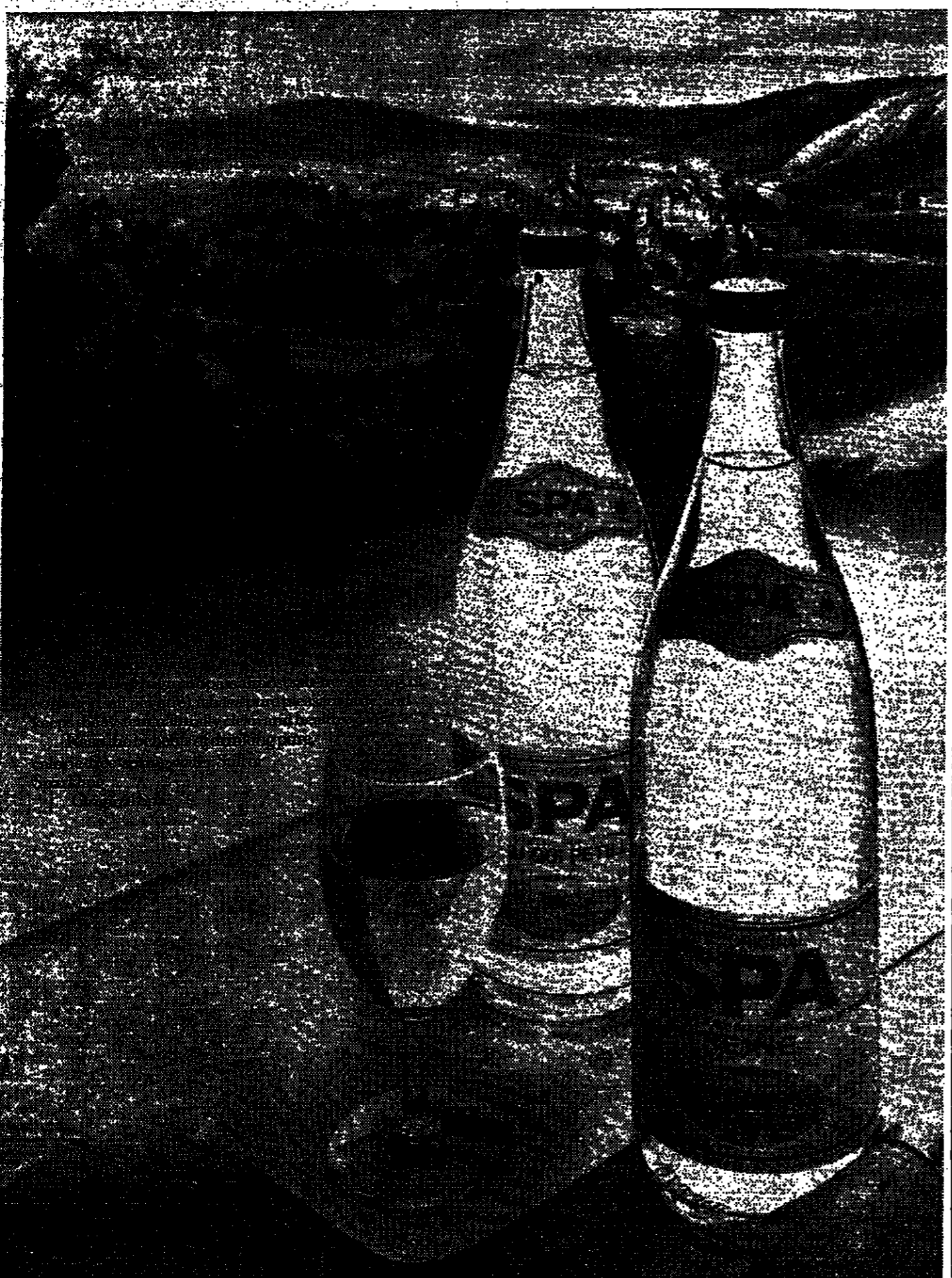
There already exists a dangerous precedent. In the winter of 1980-81 proposals to modify municipal workers' pension schemes led to an outbreak of stoppages that quickly spread to national strike proportions and toppled a Christian Democrat-Liberal government similar to today's.

Moreover, there remains the constant possibility that any one of the many issues that continue to divide Belgium's Flemish and French-speaking communities could break the Government and, in the current mood, dangerously split the country.

There is also a growing apprehension that, if the current Government came so to under-represent the Left-leaning South, the French-speaking radicals might try to use the newly established system of regional government to promote an unconstitutional Opposition to central government, if not actual separatism.

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- Editorial production by Catherine Darby.



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TUBEMEUSE : WHERE TUBES ARE MORE THAN TECHNOLOGY

The most significant feature of the new commercial activity has been the conclusion of a five-year contract for the production of steel tubes for the Russian oil industry. This first contract was worth 100 million M/F per year of steel tubes and was followed by a second one covering 100 million M/F per year of steel tubes. The first contract was signed in 1977 and the second in 1981.

An aggressive commercial action has also been undertaken in South America and the Middle East.

Exports to Africa are made through the subsidiaries of our affiliate companies Transocean, Tubemeuse and Tubemeuse-USA. The latter company has been awarded a contract for the supply of steel tubes for the oil industry in Algeria and the Republic of Congo.

In 1980, Tubemeuse undertook a large programme of investment including the increase of the production capacity of the steel mill to 30,000 M/F per month and the extension of 150,000 M/F per month of new steel capacity. The extension of 150,000 M/F per month of new steel capacity is a "world premiere" of the 8" standard diameter tubes. It allows the production of tubes up to 22,7" diameter. Tubemeuse will be able to produce tubes up to 22,7" diameter, 150,000 M/F per month. The extension of 150,000 M/F per month of new steel capacity is a "world premiere" of the 8" standard diameter tubes. It allows the production of tubes up to 22,7" diameter. Tubemeuse will be able to produce tubes up to 22,7" diameter, 150,000 M/F per month.

These tubes are widely used for the production of oil and gas pipelines. They are also used for the construction of offshore platforms and for the production of steel pipes.

For more information, contact Tubemeuse in Belgium or Tubemeuse-USA in the USA.

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BELGIUM III

Belgian charms wear thin for foreign investment

PERHAPS charms, like city neighbourhoods, go through periods of being fashionable. A combination of advantages, some real, some imagined, may for a decade or so draw in foreigners and foreign investment...

This is becoming the story of Belgium over the last 20 years. Brussels, in particular, was transformed in the early 1960s by naive expectations that it was destined to be the capital of Europe...

Manufacturing investment came, too, so that in the 1960s 80 per cent of all factories in Belgium were built by foreigners...

For the foreign investor, however, Belgium's charms have been fading. The depressed commercial property market in Brussels is one indicator...

In the early 1970s foreign investment annually created 6,000 manufacturing jobs. Last year, the figure was little more than 500.

With Belgian unemployment the highest in Europe and the country looking forward to minimal growth over the next two to three years, this is clearly the wrong time for the country to go out of fashion...

TEN BIGGEST COMPANIES

Table with columns for company names (BANKING, CHEMICALS, RETAILING, UTILITIES) and years 1978, 1979, 1980, 1981. Includes sub-sections like 'BANKING (BFR bn)', 'CHEMICALS (BFR bn)', etc.

tivity records in Europe has helped to compensate for this, but foreign companies, particularly U.S.-owned companies, have become steadily discouraged...

This is one reason for the decline in the number of Americans employed in Belgium. The Chamber of Commerce survey showed that 33 per cent of American companies in Belgium have reduced their American staffing since 1976...

Overall, companies reducing their American employment cited the following main reasons for doing so: the development of local management capability, corporate reorganisation, the rising executive compensation costs for Americans and the increased burden of Belgian taxes and social security.

The picture is not one of unremitting gloom. Most of the companies planned to maintain or increase the size of their labour force over the next three or four years. Moreover, the basic strengths which attracted foreign investment remain...

Successful Belgian governments have been aware that the golden goose of foreign investment is being frightened off, but efforts to deal with the structural problems of high taxation and social security costs have fallen foul of the political deadlock of the last two years...

J. W.

Energy bills swell trade deficit

LITTLE BELGIUM is a big trading nation—a fact, however, that is sharply double-edged. In prosperous times the country's highly productive, export-oriented industry is able to take quick advantage of trading opportunities as they open up throughout the world...

The country is currently struggling in the second of these situations and while the outlook has improved somewhat over the past few months the future can hardly be described as bright.

The effects of increasing energy prices coupled with the impact of recession on the country's traditional customers have been stern and swift: an immediate rapid rise in Belgium's overall trade deficit with a further deterioration in its terms of trade.

After gradually managing to stabilise its trade deficit following the 1973-74 oil-price shock, Belgium suffered a record trade deficit in 1980 of BFR 210bn, and the latest figures for the first nine months of last year are already showing a deficit of nearly BFR 217bn.

No resources

Apart from an aged and alling coal industry, Belgium has no indigenous energy resources of any consequence.

The importance of trade to this nation of only 10m people becomes strikingly apparent when its performance is compared with the OECD area's two industrial giants: the U.S. and Japan.

With a population of less than a tenth of Japan's and only a twentieth of that of the U.S., Belgium's exports and imports are both worth in value terms nearly 30 per cent of Japan's and more than 50 per cent of those of the U.S.

Both Belgium's exports and imports represent in value terms the equivalent of about 50 per cent of the country's Gross National Product (GNP) against only about 8 per cent for the U.S. and around 10.5 per cent for Japan.

Prime Minister Wilfried Martens made crystal clear at his news conference to launch his new Government that his economic policy was aimed foremost at restoring the country's competitiveness abroad.

Dismissing suggestions that the Government's economic recovery plan was deflationary, Mr Martens emphasised his proposals to encourage expansion and new investment through tax incentives to control industry's costs through tax cuts and limited wage rises and to stabilise the Belgian franc through a clampdown on public borrowing.

The Government's task is formidable, however. Interest rates remain near record levels in deference to an unstable franc and policies taken in other countries and the price of energy remains virtually outside any control by Belgium, while the country's terms of trade continue to deteriorate.

The European Commission, in its latest review of the European Community's economy, forecasts a further 5.5 per cent drop in 1981 in Belgium's terms-of-trade position, with a 6.4 per cent deterioration next year.

Meanwhile, however, Belgium remains a stable, relatively wealthy nation with a long-standing record of improving productivity, and there are some signs of increased economic activity.

While urging caution and pointing out that the medium-term outlook is still "fairly gloomy," economists at both of the leading banking groups Kredietbank and Societe Generale de Banque report emerging indications of an improvement.

The country's export potential had been aided, at least in the short term, by the recent realignment of the European Monetary System. This resulted in an overall depreciation of the Belgian franc, most markedly against the currencies of West Germany and the Netherlands, the country's two main trading partners.

During the third quarter of last year industrial output (excluding construction) is estimated at about 3 per cent over its low point at the end of last year, with corporate investment beginning to show signs of recovery.

The recession-inspired depletion of industrial and trade stocks is also being reversed as

VISIBLE TRADE 1976-80

Table with columns for years 1980, 1979, 1978, 1977, 1976 and rows for EXPORTS (EEC, Non-EEC), IMPORTS (EEC, Non-EEC), WORLD, BALANCE.

1981: THE FIRST NINE MONTHS

Table with columns for 1980 period and 1979 period, and rows for Total Imports, Total exports, Balance.

EXPORTS BY DESTINATION

Table with columns for % of total and Increase on 1980 period, and rows for Industrialised countries, Third World, Opec, Communist.

THE MAIN COUNTRIES

Table with columns for % of total and Increase on 1980 period, and rows for West Germany, France, Netherlands, UK, Italy, U.S.

† BFR 214bn is accounted for by the deficit in energy products. Source: Belgian National Institute for Statistics.

final demand is improving, especially in the U.S. and Opec countries, where Belgian exports have recovered noticeably because of their increased competitiveness in the dollar zone.

"Taking account of the fairly favourable short-term prospects," says Kredietbank, "it is almost certain that, after having declined by about 1 per cent in 1981, real GNP will, on average, again be slightly up in 1982."

L. K.



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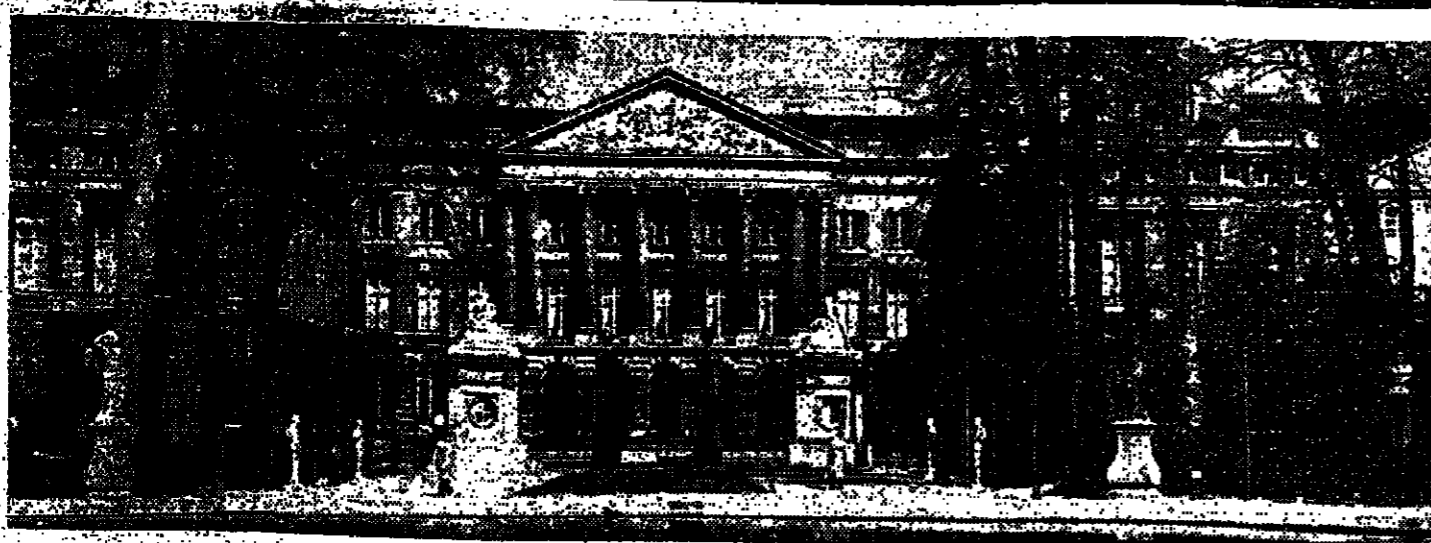


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BELGIUM V



The Houses of Parliament, a fair hearing for all the political parties' opinions makes government a lengthy business

A history of democratic compromises

Belgium has only existed as a country for little more than 150 years, yet it is a leader in continental Europe in the establishment of a firm tradition of parliamentary democracy.

monarchs trying to retain degrees of political power, the occupation of two world wars, and the virtually constant quarrels between the nation's linguistic communities, the evolution away from elitist national administration and to universal adult suffrage continued almost unbroken.

While changes in the Senate's role are being proposed under the current regional government reform programme, the workings of the Belgian legislature are similar to the rest of the Western world's bicameral institutions, with one possible exception: the completion of parliamentary business is often strikingly ponderous.

stretch across weekends and last into the early hours of the morning. It is this situation that led the recently installed government to seek special parliamentary powers to implement its economic programme in an attempt to speed legislation by sidestepping prolonged debate.

L. K.



Rough regionalism: riot police close in on militant Flemish demonstrators seeking special educational advantages to match those they claim have been given to French-speaking children

'Home rule' for the two regions

WHEN BELGIUM'S two regional governments took office at the end of the year the event was received with a mixture of relief and trepidation.

The relief was born of the widespread hope that, with some degree of regional autonomy in place, the debilitating tensions between the country's two linguistic communities may now be diffused at national level while each gets on with "home rule."

The trepidation came from the country's traditional dislike for extremism and its inherent conservative wariness of the unknown. The fear is that radicals on both sides of the linguistic frontier could use the new regional powers to foster a federalism which, if unchecked, could lead to separatism.

This fear, rarely discussed publicly by the nation's leaders, came very close indeed to breaking out fully into the open last month.

With the date fast approaching for the establishment of the directly elected Regional Assemblies and no national government yet in place following the inconclusive November 8 general elections, there was a growing feeling that the regions might attempt to fill the vacuum with an assertion of powers not constitutionally specified.

In the event a new national administration was formed, and the regional governments took office on December 22 relatively smoothly, except for a continuing row in French-speaking Wallonia, in the southern half of the country, over the role of the Socialists in the new Regional Executive.

This quarrel, however, is intensely illustrative of the political divisions that permeate Belgian society and the difficulties in resolving them even when, as in this case, the argument is confined to a single linguistic section of the country.

The composition of the executives now in place must legally reflect the political composition of the directly elected portion of the national Senate, but they are too small numerically to represent the full range of the regional parties on a proportional basis.

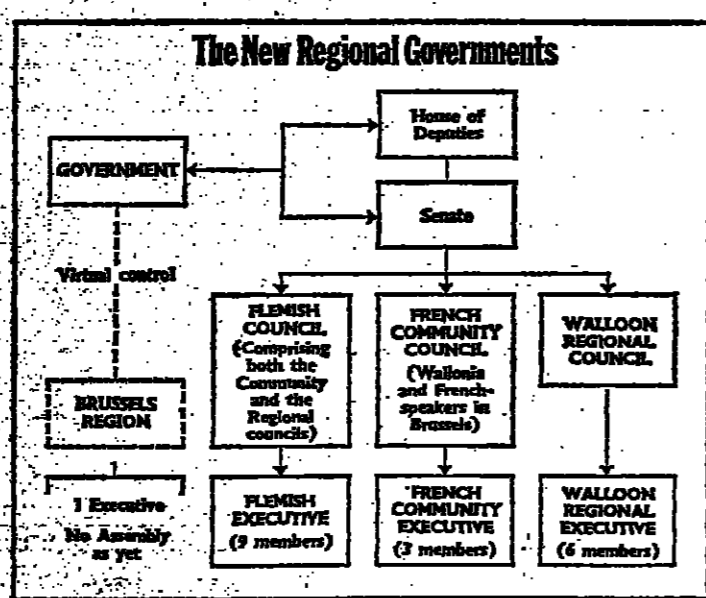


Table titled 'THE REGIONS COMPARED' comparing Flanders, Wallonia, and Brussels across various metrics like Population, GDP, Labour supply, and Industrial output.

executives being formed on a coalition basis through negotiation by party leaders. The reform of the Senate, as well as the status of Brussels as a region, still have to be decided before the system of regional government will be fully in place. It is envisaged that the Senate will become solely a regional institution, leaving the present House of Representatives as a unicameral national legislature.

of lack of agreement between the Walloons themselves and their colleagues in predominantly French-speaking Brussels. The French-speaking Community Council joins both groups to cover such matters as cultural policy, health services and training, whereas the Regional Council for Wallonia alone is responsible for the regional economy, town planning, water supply, environment protection, etc.

To speak of the regions as "federal states," as many political commentators in Belgium are given to do, is exceedingly misleading, however.

In addition to obvious areas such as foreign policy, defence and overall monetary policy, the central government retains control of such matters as education, general employment policy and most major economic options in key industrial sectors.

Indeed the amount of money being made available to the regions has been criticised by many regionalists as insultingly low. In an analysis of the region's sources of finance Société Générale de Banque—

says that direct appropriations together with the taxation likely to be repaid to the regions may represent only about 15 per cent of the national budget.

"This percentage seems very small," says the bank, "compared with the 40 to 45 per cent granted to the regions in the majority of federal states existing in the Western world at the present time."

Meanwhile opinion remains divided on what effect the reform will have on the political health of the nation. The general and measured feeling is that, given the complexity of the situation, a long "running-in" period will be necessary before any lasting judgments can be made.

One of the most disturbing prospects to many Belgian leaders is that, with the planned severing of links between central and regional government, the decisions of both could have equal legal force but not be compatible.

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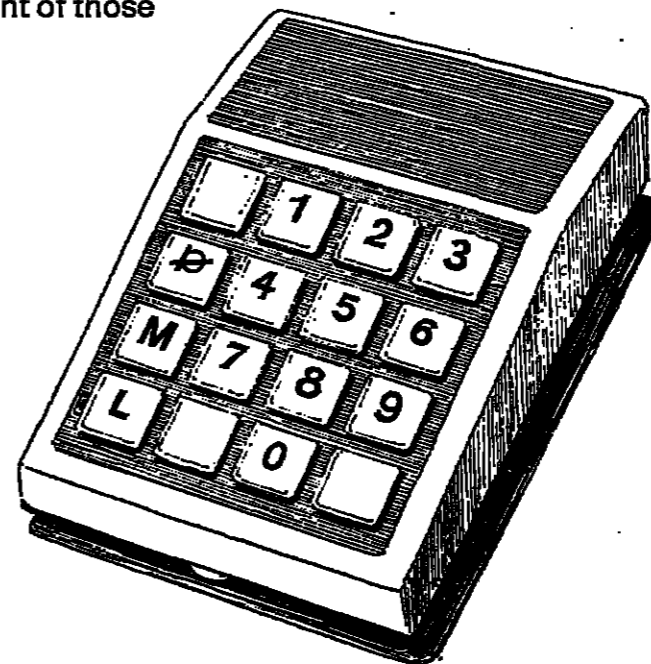
"chips" we've heard so much about lately: integrated circuits consisting of thousands of minute transistors, and which have revolutionized electronic technology.

telephone and 2.5 x 2.5 cm keys. You can use this memory to store the ten numbers you use the most and the last number you dialled. To dial these numbers you only have to push two keys.

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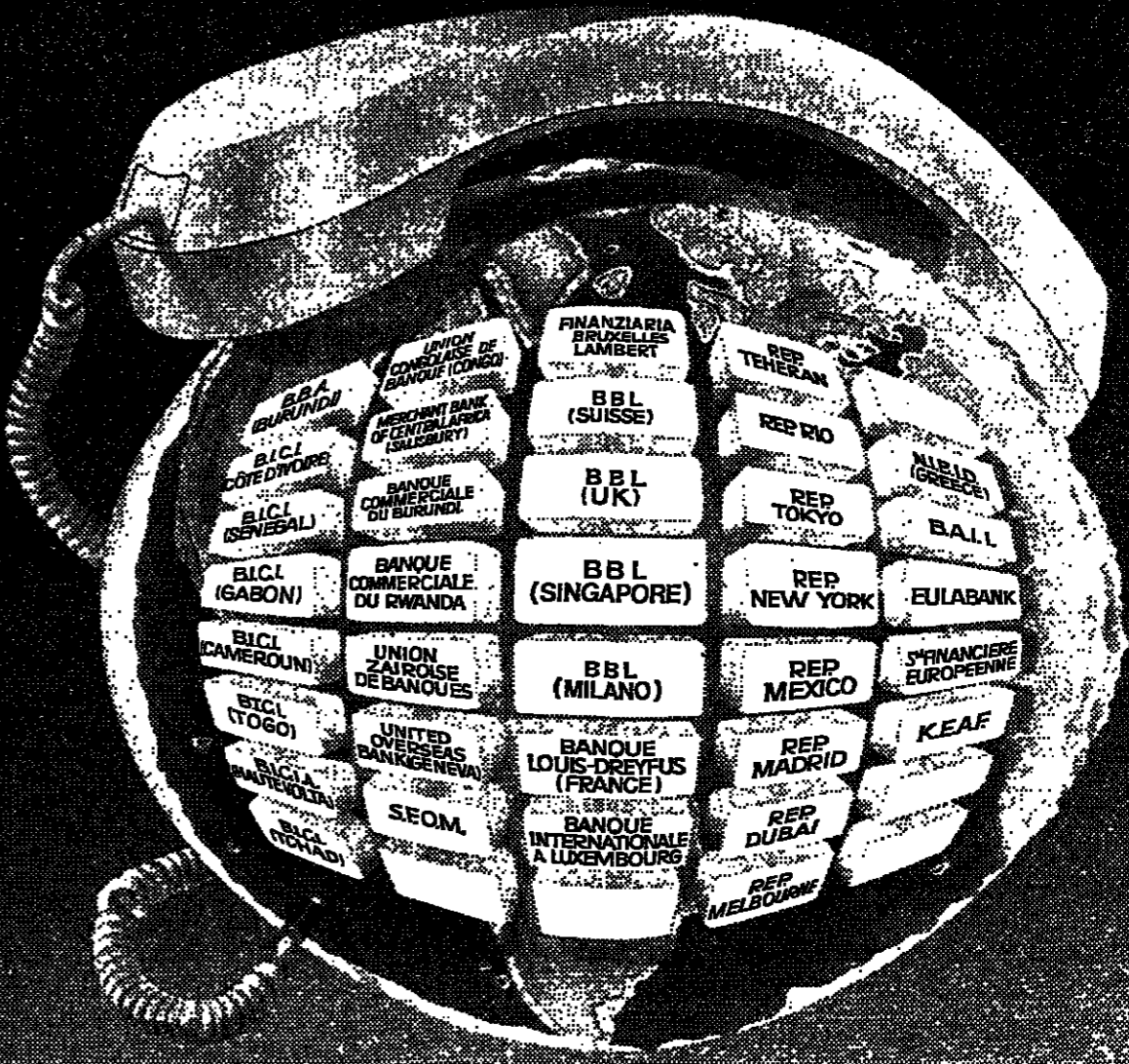
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We hope this information gives you an indication of our competence and willingness to deal with your problems. The next move is yours. Contact us.

BBL Banque Bruxelles Lambert banking, a matter of people

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NATO AND POLAND

Inching towards a consensus

By Ian Davidson, Foreign Affairs Editor

CONSIDERING THE quarrels and recriminations which have led up to it, today's meeting of Foreign Ministers of the Atlantic Alliance on Poland may well turn out to be a surprisingly harmonious affair.

The most that they expect is a collection of words

probably without parallel in the past quarter-century.

have been appraised by the meeting of the foreign ministers of the European Community a week ago, which undertook not to undercut the American sanctions, and which clearly implied a readiness to look at limited trade sanctions of their own in the next few weeks.



reflection of the uncertainty about what is happening in Poland itself and about the real intentions of General Jaruzelski and his military Council. He and his spokesmen have repeatedly said they intend to maintain the process of reform in Poland.

case of overt Soviet invasion, and whatever degree of complicity one chooses to ascribe to Moscow, that does not appear to be the present situation.

shift in the American position in recent weeks (or it may be months) than in that of West Germany. One of the more remarkable aspects of General Haig's Press conference last week was his emphasis on the importance of communications with the Russians.

dialogue seeking control of nuclear armaments." So much for linkage.

A significant shift in recent weeks in the U.S. position

revolution, but we know that, if the euphoria of detente in the early 1970s did wonders for East-West trade, it did nothing to shift East-West strategic relations.

Lombard

Time Treasury answered back

By Samuel Brittan

ON DECEMBER 17, 1981, readers of the Wall Street Journal learned in sentences within quotation marks, some of which were attributed to named officials, what people in touch with the Bank of England already knew: that the Bank of England was highly sceptical of the Thatcher Government's economic policies.

The code words are, of course, the word "monetarism", which, according to John Pfordre, a retiring executive director, "is a theology", and "central banks are not theological places—at least, this one isn't."

Public sniping between governments and central banks is a normal and reasonably healthy event in many countries.

Gordon Richardson has made up his mind. "There are many views on this subject in the Treasury," remarked the Chancellor at one meeting.

The Bank's present cause célèbre is its attempt to ban the Hongkong and Shanghai's bid for the Royal Bank of Scotland.

Letters to the Editor

Re-think called for in public transport policy

From the Chairman and Chief Executive of London Transport

Sir—May I endorse the views set out by Dr John Whitelegg (December 30) on the need for a commonsense solution to the provision of, and the support for, an adequate level of public transport services for London—so vital to the nation's capital.

For those who—as Mr E Dixon (December 29)—reasonably complain about out-of-date practices (such as lack of automation) may I point out that compared, say, with the equivalent of £1.5bn of capital which has been available to the smaller Paris RATP during the past 10 years, London Transport received less than one-third that amount.

mation will be introduced—as shown already on the Victoria Line. But again, the rate of progress depends upon the availability of funds.

My view is that a fundamental re-think of policy towards public transport in the United Kingdom is now required—to be completed with the obligation, as stated in the Act, to provide services to meet the needs of London "with due regard for efficiency, economy, and safety of operation."

A national audit office

From the Director, Chartered Institute of Public Finance and Accountancy

Sir—There seems to be a general acceptance (including yourselves—December 21) that the Public Accounts Committee proposals for the development of a national audit office (including local authority and health audits) is incompatible with the Government's proposal to establish an audit commission responsible for the audit of local authorities in England and Wales.

In my view, contracts negotiated with a body representative of all those concerned (HMG, Greater London Council, boroughs and county councils) to provide agreed frequencies of services on London's buses and the Underground, at agreed prices, would be an effective and business-like approach, co-ordinated with British Rail and the National Bus Company.

Investing in vital skills

From the Director, Understanding British Industry

Sir—Your leader "Investing in Vital Skills" (December 16) identifies a major problem in developing skills for working life—the competence of our present teachers to work in this field.

The whole schools and working life area is bedevilled by being strong on analysis and ideas and weak on implementation. For this reason the CBI Education Foundation's Understanding British Industry Project (UBIP) has concentrated on programmes to improve teachers' competence and confidence to teach about business and the realities of working life.

ing facilities available to teachers, but this could be expanded. The cry will go out about "resources," but many schemes of co-operation between education and industry require only a shift in priorities rather than an increase in expenditure.

If, as a first step, each local authority could look at the training needs of teachers it employs and the help that business might provide locally, then we would be on our way to a population of young people that not only understand, but can contribute to business effectively.

Hidden subsidies need control

From Natalie Hodgson

Sir—It is indeed welcome news that the recent "Gill golden handshake" is being brought to the attention of Parliament. If, indeed, a committee of inquiry is to be set up, then its scope should surely be extended to cover all the anom-

lies now existing in the field of company finance. It is boring to repeat that Edwards, Allport and Messervy, managing directors of BL Metal Box and Lucas all took a salary rise of 30 per cent or so, while attempting to hold the humbler employees to single figures.

It is almost unfair to use their names when other instances abound. BET has set aside 4m shares for the use of a few executives who can take options at 40p and sell at market price (currently 135p). This must have cost the company £2m or £3m over the past few years.

ANZ has produced an even more breath-taking idea. It is asking its shareholders to sanction company loans, not only to full-time executives, but also to their spouses and relatives. A company loan on preferential terms would of course be equivalent to a cash gift, if the money were to be invested profitably.

Some changes would be needed to the Local Government Finance Bill particularly to allow for a merger of official establishments—but given that, the Government's audit commission proposals need not be threatened by the implication of the early day motion.

N. P. Hepworth, 1, Buckingham Place, SW1.



There's more than one lady with influence in British industry

In fact, there's an army of them, just like Alvyon Hodgson. Though Alvyon's name is unlikely to come up at a CBI meeting, she is as concerned as the lady on the right in keeping British industry running efficiently and cost-effectively.

Because 24-year-old Alvyon, of Escher, is one of Gardner Merchant's 2000 Catering Managers. The canteen that she manages is supported by a small regional team. And across the whole country there are many similar teams, each providing the same local service that has made Gardner Merchant the biggest and most successful catering management organisation in Europe.

Gardner Merchant has built an unrivalled reputation for good food at work. This has been achieved largely by encouraging people like Alvyon to develop fully their catering skills and by making the company's resources readily available at local level.

Meals enjoyed in staff restaurants that run smoothly professionally and within the catering budgets of the managements that appointed Gardner Merchant.

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Pension funds insight into Habitat plans

PENSION FUND investors in Habitat, the home furnishing group headed by Mr Terence Conran, have received amplification of the commercial logic of the ambitious £117m takeover of Mothercare.

product mix and geographic spread "have been studied in considerable depth by the Habitat and Mothercare management and their advisors."

Clayton acquires Philson

Clayton Son and Co. (Hdgs.) acquired 90 per cent of the capital of Philson Engineering for £288,000 cash on December 31 1981.

the sum of £160,000 up to a maximum sum of £80,000 payable on December 29 1982.

Table with columns: 1982, Price, Low, High. Lists various companies and their share prices.

CHURCHBURY EST./LAW LAND The directors of Churchbury Estates and the Law Land Company state that Law Land has sold by tender its long leasehold shop investment in 1-24 Queens Parade, Hastings, for £4.01m in cash against a book value of £1.55m (valued in 1979).

Linford places holding in Bishop's Stores

Linford Holdings, the cash-and-carry food group, has placed its holding in Bishop's Stores with the Courtauld Pension Fund. Its 12.2 per cent holding of the voting shares was worth about £360,000 at Friday's unchanged price of 170p and its 53.3 per cent stake of the non-voting A shares was worth around £1.2m at the price of 92p, down 4p on the day.

RECEIVER SELLS TWO COMPANIES

Mr Richard C. Turton of Spicer and Pegler, Nottingham chartered accounts, Receiver and Manager of Sit-Co Products and Steel Construction and Engineering Company (Notts.) says the business and assets of both companies have been sold on a going concern basis to Cranthorpe.

LOVABLE SALE

At the request of Berlei (UK) and Lovable Spa, of Italy, the joint receivers of the Lovable Company have reached an advanced stage of negotiations whereby the business is expected to be sold to Lovable Spa by the end of this month.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Officers are not available as to whether dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

Mr. Morton's difficult task

BY WILLIAM HALL

Table titled GUINNESS PEAT with columns: Net worth, Net borrowings. Rows for 1978, 1979, 1980, 1981.

Alastair Morton celebrates his 44th birthday this morning by starting work as the new chief executive of the troubled Guinness Peat group, which is almost certainly the most difficult job he has taken in his relatively short but distinguished financial career.

He inherits a group which is expected to report shortly a first half loss, is overborrowed and whose management morale has been seriously undermined by the long-running feud between Lord Kissin, the group's founder and president, and Mr Edmund Dell, his hand-picked successor.

UK Provident makes its first annual declaration

HIGHER RATES of reversionary bonus rates have been declared by the United Kingdom Provident Institution for 1981, the first time the company has made an annual declaration.

On life policies the rate is £4.85 per cent of the sum assured and attaching bonuses—equivalent to around 35.09 per cent on a three-year basis.

The company has also improved its terminal bonus rates for claims in 1982. On life contracts the new scale will vary from 35 per cent to 50 per cent of attaching bonuses against the previous scale of 20 per cent to 35 per cent.

damaging to the company." The intention now is to develop the group's potential as a "widely based financial services and international trading group."

Lord Kissin was supported in his views by some of the non-executive directors and despite attempts at reconciliation it became clear towards the end of last year that Lord Kissin would only be happy if Mr Dell was removed as chief executive. He had already notified the board that he was considering a partial bid for a significant stake (thought to be 20 per cent) in the group.

FINANCE FOR INDUSTRY TERM DEPOSITS.

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 28/1/82

Table with columns: Terms (years), Interest %. Rows for 3, 4, 5, 6, 7, 8, 9, 10 years.

Table for M. J. H. Nightingale & Co. Limited with columns: 000's, Company, Price, Change, Gross Yield, P/E, Fully Capitalized. Lists various companies and their financial metrics.

Public Works Loan Board rates

Table for Public Works Loan Board rates with columns: Effective January 9, Quota loans repaid, Non-quota loans A* repaid. Rows for various terms like 'Up to 5 years', 'Over 5, up to 6 years'.

A growing international presence

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Advertisement for Offshore Mining Company Limited. Features the 'w/w' logo and details about U.S. \$150,000,000 Guaranteed Floating Rate Notes due 1991, unconditionally and irrevocably guaranteed by New Zealand. Lists various international banks.

Advertisement for European Economic Community. Features the 'E' logo and details about U.S. \$25,000,000 15 1/2 per cent Bonds due 1993, unconditionally and irrevocably guaranteed by S. G. Warburg & Co. Ltd. Lists various international banks.

INTERNATIONAL CAPITAL MARKETS

CREDITS

Tougher terms for Mexico

IT HAS NOT been a happy start to 1982 for Mexico. Apart from the 500m credit from the state of Mexico, the price of the peso has fallen and announced a 10% increase in the Finance Ministry has also had to bow to the inevitable and accept a 10% increase in margins on the state Euro credits.

The deal, confirmed by the state of Mexico, is a \$200m credit for the state of Mexico bank, Banco de Mexico, on Friday, quickly followed last week's talking point in the syndicated credit market.

Bankers are pouring a margin of 1% per cent over London interbank offered rates (LIBOR) for an eight-year credit to be arranged through Lloyds Bank International. Verbal agreement on the conditions was reached last week and the formal mandate is expected to follow this week.

Lenders will have an option to contribute funds at a margin of 1% per cent over U.S. prime rate, but the margin is a full 1% point over that on Mexico's last deal, a \$500m package for the state development bank, Nafinam.

Bankers had been expecting margins on Mexican credits to rise in view of the country's very large borrowing requirements, estimated at some \$20bn gross this year. The question being asked on Friday was whether an increase to 1% per cent over Libor would set a new and viable level for future loans.

A number of other medium-term borrowings are still believed to be under discussion in Mexico, including a large credit for the state oil concern Pemex which had previously been expected to open the New Year borrowing programme.

Simultaneously syndication started last week of the United Mexican States DM 400m credit, mandated to Deutsche Bank at the start of December. This credit bears a margin of 1% per cent over London Euro-Deutsche Mark rates for four years but it can be extended for a further four at the option of banks.

The New Year's market was thus left with something of a Mexican lull, as little new business was reported from other quarters. Many bankers expect a fairly sluggish start to 1982 given the volatile state of

INTERNATIONAL BONDS

Mitsubishi brightens lacklustre market

By Alan Friedman

JAPANESE borrowers are returning to the Eurobond market with last week seeing the appearance of a hitherto unknown animal—a Japanese bond offer with detachable warrants to purchase equity.

The deal is a \$50m five-year offer for Mitsubishi Chemical and it is reported to be doing very well. In a generally lacklustre market, the Mitsubishi issue was comfortably over-subscribed 48 hours after its launch.

The Mitsubishi issue was one of four Japanese bond offers in Europe last week. The other three were directly convertible into equity.

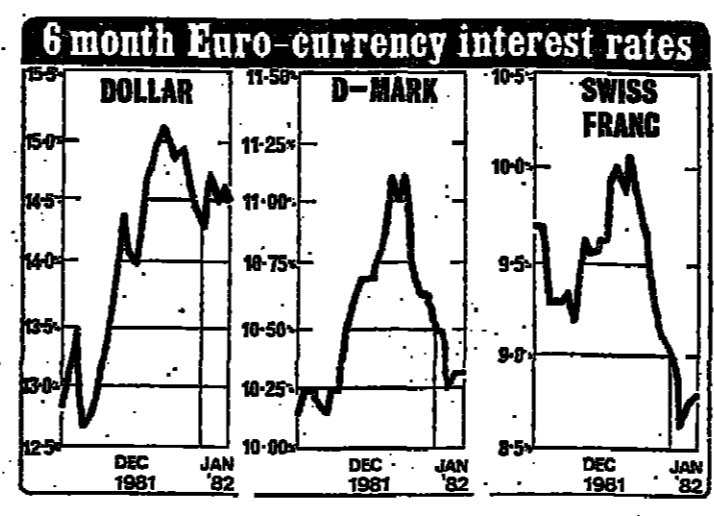
But the Mitsubishi deal, which is set to be priced tomorrow, is the most innovative offer to come out of Japan for a long time. Each bond—which has a \$5,000 denomination—carries one warrant which can be detached upon delivery and exercised one month later.

The warrant is valid for the full five-year life of the bonds and the exercise price will be fixed tomorrow on the basis of a premium of around 2½ per cent above the average share price of the previous six days.

The number of shares a warrant may want to purchase will also be decided on a formula basis.

Considering that the warrant provides a five-year option to exercise a premium seems quite reasonable. But what is the true value of the warrant?

When the deal was launched on Tuesday the warrants traded



at around 17 per cent in the grey market. By Friday the warrants were being quoted at 15½ per cent to 16 per cent with the bond trading at around 8½ per cent.

The bonds, with an expected coupon of 11 per cent, would yield 16.04 per cent at 83½. This compares favourably with any Japanese convertible yields, which are basically equity investments in the long-term.

The warrants would prove profitable when buying shares only if the shares rise by at least 150, assuming current exchange rates.

This Mitsubishi deal seems to offer something to both the borrower and the investor. The borrower gets \$50m at a coupon rate significantly lower than in the fixed-rate sector. There is also the prospect of up to another \$50m in equity investment.

The investor gets a reasonable bond yield at current price levels. In addition, there is the speculative element of the warrant and the opportunity to exercise an option on Mitsubishi shares in the next five years.

Last week was fairly difficult elsewhere in the Euro-market. With the exception of

REDEFINING U.S. MONEY SUPPLY

Shifting monetary sands hamper Fed's control

BY DAVID LASCELLES

MUCH CONFUSION has arisen on Wall Street in recent months over quite how "tight" a monetary policy the Federal Reserve has been pursuing, largely because of the sharply differing behaviour of the various Ms, or money supply measures, the Fed tries to control.

Looking at the narrow measure, M1-B, which rose only 2.5 per cent in the first 11 months of last year, policy looks "tight." But M2, the broader measure, rose just over 10 per cent in the same period, making policy look quite "loose."

The reason is that money has been fleeing M1-B (which includes bank current accounts, which yield little or nothing, and money in circulation) into high yielding havens like savings accounts and money market mutual funds which fall under M2. So ironically, the tighter the Fed squeezed last year, the higher interest rates went, and the faster M2 grew.

Given that the Fed still seems to be committed to a monetary policy that depends largely on targeting the growth of the money supply, these shifting monetary sands are making life increasingly difficult.

Add to that all the financial innovations that Wall Street is cooking up such as cash management accounts that automatically transfer money between bank accounts, money market funds and securities, and the whole question of defining money in its various forms becomes tremendously complex.

Although the Fed believes the problem is still manageable, its top officials are already giving serious thought to the changes that will have to be made in the years ahead as to how the money supply is defined and controlled.

Mr Anthony Solomon, president of the New York Fed, recently unburdened himself of his thoughts on the matter in a speech predicting that innovation and deregulation in the U.S. financial industry could make it difficult for the Fed to control any money supply definition that had any meaning—a prospect that would alarm any central bank.

The point of his speech was not to ring the alarm bells but to set people thinking about possible remedies, of which he suggested a few.

One would be to create a wholly new money supply definition which includes all transactions accounts, whether bank accounts, money market mutual funds offering cheque-writing privileges and so on, and subject them all to reserve requirements thus building what he called "a moat" around them.

Currently only banks have to deposit reserves with the Fed. These vary according to the size and term of the funds deposited. The Fed recently failed to persuade Congress to legislate similar requirements for money market mutual funds, many of which it argued are just bank accounts in disguise.

This new aggregate could then be controlled both by changing reserve requirements and influencing interest rates.

But there would be problems. How well would the new aggregate respond to changes in interest rates? Politically, would Congress be willing to give the Fed wider powers to impose reserve requirements? Probably not in its present mood. Even if it did, the financial community would complain about the "tax" that reserve requirements represent because the Fed does not pay interest on them.

Alternatively, the Fed could target the growth of total bank reserves (which it does to some extent already), or the monetary base much favoured by monetarists. But although both are controllable, they tend not to change closely enough with the economy at large to be a useful policy guide.

A third possibility might be to replace the money supply targets with a measure of credit, like bank credit. But again there could be control problems. In all these cases, Mr Solomon fears that the financial community will only invent new instruments or money accounts that escape the Fed's control net.

Mr Solomon even predicted that the Fed might have to play down money supply targeting altogether and articulate its goals in new terms, such as growth of nominal GNP, which would imply trying to manipulate the growth of the economy as a whole—an awesome prospect.

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead manager	Offer yield %
U.S. DOLLARS							
BFCET	400	1987	5	5½	100	CSFB, Credit Lyonnais	5.319*
Mitsubishi Chemical	50	1987	5	•	100	Morgan Stanley, Yanachi	
Minorco	40	1997	15	•	100	Hambros	
Orient Finance	40	1997	15	•	100	Nomura Intl.	
Nippon Electric	30	1997	15	•	100	Daiwa	
CANADIAN DOLLARS							
Mat. Bank of Canada	50	1988	6	16½	100	Societe Generale	16.580
D-MARKS							
ECSC	125	1987	5	9½	100	Deutsche Bank	9.750
ECSC	40	1994	8½	9½	100	Deutsche Bank	9.750
SWISS FRANCS							
Ansett	50	1991	—	7½	101	Handelsbank	7.355
Oest. Donaukraftwerke	100	1991	—	7	100½	SEC	6.979
TransCanada Pipelines	100	1994	—	7	100½	UBS	6.937
Nihon Radiator	40	1987	—	•	100	CS	
ENEL	100	1991	—	8	99½	Banque Gutzwiller, Kurz Bungere, CCF (Suisse)	8.112
GUILDERS							
BFCET	100	1984	9½	12½	701	AmRo Bank	12.040

* Not yet priced. † Final terms. ** Placement. † Floating rate note. ‡ Minimum. § Convertible. ¶ Registered with U.S. Securities and Exchange Commission. ¶ Purchase fund. †† Issue may also be sold on an FRN basis. Note: Yields are calculated on AIBD basis.

This announcement appears as a matter of record only.

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December 16, 1981

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December 16, 1981

INTERNATIONAL CAPITAL MARKETS and COMPANIES

Companies and Markets

U.S. BONDS

Turn-of-the-year turbulence

BY DAVID LASCELLES

TURN-OF-THE-YEAR turbulence is what some people call the bumpy ride the U.S. credit markets have been through in the last fortnight. Bond prices were all weaker on balance last week, though there were lots of ups and downs.

sponded badly to big jumps in the money supply, however well advertised in advance. The Government deficit has also returned to haunt the market. This is not a subject anyone approaches coolly, and economists' assertions that deficits do not matter during recessions were little comfort.

gress. That's asking a lot." The market's greatest source is that the economy appears to be going through a nasty recession, and the prospect of a rebound in loan demand from the private sector has receded.

to ignore the money bulge in the interests of fostering a recovery. Fed officials admit that the dilemma is looming, but only if money supply continues to rise.

Montedison drug unit lifts sales

By Our Financial Staff

GROUP TURNOVER of Farmitalia-Carlo Erba, the largest Italian pharmaceutical concern, rose 30 per cent to L650m (\$575m), last year while profit should be widely higher than L160m posted in 1980.

VW in talks with SEAT on production in Spain

BY ROBERT GRAHAM, IN MADRID

SEAT, Spain's largest producer of cars, is discussing with Volkswagen the assembly of VW's Polo and Derby cars in Spain. The companies have been in contact since last April and matters are sufficiently advanced for VW to send a 12-man team to Spain. It is due here today.

been mentioned before. INI, which now controls SEAT, seemed to be concentrating on seeking Japanese help. As recently as September INI said it was close to an agreement to assemble 10,000 to 15,000 Toyota cars a year.

production to other plants, principally Barcelona. SEAT is now concentrating on two main models, the Panda and the Ritmo, both with Fiat technology, and it intends to produce these as long as they have a market life.

New president for Massey Ferguson

Mr Vincent D. Laurence, senior vice-president of planning and administration, has been appointed president of MASSEY-FERGUSON, Toronto. Mr Victor A. Rice, who previously held that title as well as chairman of the board, remains chairman and chief executive officer.

Winterthur. Mr Marcel Nettleback joins the board while remaining a company manager. Mr A. C. van der Linden, group corporate planning manager has been appointed company secretary for HUTCHISON WHAMPOA HONG KONG in addition to his role as group corporate planning manager.

named new manager of the United Bank Zurich. Mr Paul Tiller, an Englishman, has been appointed controller, Philip Morris International, New York.

supported by Mr Michael T. Lynch, vice-president. In addition, Mr R. A. Stewart has been promoted to director of finance and Mr Roger G. Turner to chief reservoir engineer.

strategic planning, a newly created staff position; and Mr Ekke Schaefer becomes division vice-president, international, with responsibility for all record division activities outside the U.S. and Canada.

West Germany, and is responsible for semiconductor operations worldwide and for component companies in Austria, Belgium, France, Germany, Italy, Scandinavia, Spain, Switzerland, the Netherlands and the UK.

First merchant bank formed in Sweden

BY WILLIAM DUFFORCE, NORDIC EDITOR, IN STOCKHOLM

SWEDEN'S first merchant bank was formed here yesterday by Samuel Montagu, the London merchant bank, the Carnegie Investment Company and the Skandia Insurance Company. The agreement was signed yesterday afternoon and a formal announcement will be made today.

appointed finance director of ASEA, the Swedish heavy electrical industrial group. He worked previously for the Swedish Investment Bank.

Advertisement for Istituto Bancario San Paolo di Torino. Includes logo, public works section, ECU 30,000,000, 14 3/4% Notes due 1983, and a list of member banks from various countries like Alahji Bank of Kuwait, Banco di Roma, etc.

FT INTERNATIONAL BOND SERVICE

Table with columns for U.S. DOLLAR, OTHER STRAIGHTS, DEUTSCHE MARK, SWISS FRANC, and EUROBOND TURNOVER. It lists various bond issues with their terms, yields, and prices.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The dates are given mainly for the purpose of considering dividends and other financial indications...

Table with columns for COMPANY MEETINGS, DIVIDEND & INTEREST PAYMENTS, and BOARD MEETINGS. Includes entries for various companies like Anglo American, Anglo Irish, and Anglo Saxon.

Anglo American Industrial Corporation Limited. 2,530,743 options to subscribe for ordinary shares in Anglo American Industrial Corporation Limited. The Council of The Stock Exchange has admitted the options to subscribe for ordinary shares in Anglo American Industrial Corporation Limited to the Official List.

BASE LENDING RATES. Table listing various banks and their lending rates, including A.B.N. Bank, Allied Irish Bank, American Express Bk, etc.

Azienda Autonoma delle Ferrovie dello Stato U.S. \$450,000,000. Three Tranche Financing Evidenced by the Issue of Notes. The Republic of Italy. S.G. Warburg & Co. Ltd., Sodic International S.A., Sumitomo Bank, Merchant Banking Group, Banco di Roma, Republic National Bank of New York.

U.S. \$150,000,000. Medium Term Eurodollar Credit Evidenced by the Issue of Notes. Lead Managed by S.G. Warburg & Co. Ltd., Sodic International S.A., The Sumitomo Bank, Limited, Banco di Roma.

U.S. \$100,000,000. Medium Term U.S. Prime Rate/Eurodollar Credit Evidenced by the Issue of Notes. Lead Managed by S.G. Warburg & Co. Ltd., Sodic International S.A., The Sumitomo Bank, Limited, Republic National Bank of New York.

U.S. \$200,000,000. Floating Rate Notes 1988 Convertible until June 1988 into 15 per cent. Bonds 1991. S.G. Warburg & Co. Ltd., Sodic International S.A., Sumitomo Finance International, Banco di Roma, Citicorp International Group, Grindlay Brandts Limited, Sanwa Bank (Underwriters) Limited, etc.

APPOINTMENTS

Dr Fred top man at Thorn EMI Security

Dr Frederick J. Westlake has been appointed chief executive of THORN EMI SECURITY...

Lorry bans in London 'no solution,' says RHA

LORRY BANS in London would result in the nuisance and congestion of lorries being transferred from one place to another...

Factory for Peterborough

THERM-A-STOR, the double-glazing manufacturer, is to build a factory, warehouse, and office complex in Peterborough...

Food poisoning on the increase

FOOD POISONING causes more than 25m lost working days each year and the annual total of reported cases has doubled in the past 10 years...

Mental handicap move welcomed

PLANS TO transfer mentally handicapped hospital patients back into the community were welcomed yesterday...

U.S. \$50,000,000 Hapoalim International N.V.

Guaranteed Floating Rate Notes 1985 For the six months 11/1/82 to 12/1/82...

COMPANY NOTICES

GADEK (Malaysia) BERHAD

Notice of Extraordinary General Meeting NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Members of the Company will be held at Suite 1804/S...

EUROPEAN COAL AND STEEL COMMUNITY - ESCS 5 1/2% 1966/1986 LOAN OF UA 20,000,000 Bonds for the amount of UA 1,000,000 have been drawn for redemption...

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDR) IN NOMURA SECURITIES CO. LTD.

Further to our notice of September 30, 1981, EDR holders are informed that Nomura Securities Co., Ltd. has paid a dividend to holders of record...

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDR) IN TSUBAKIMOTO PRECISION PRODUCTS CO. LTD.

Further to our notice of September 30, 1981, EDR holders are informed that Tsubakimoto Precision Products Co., Ltd. has paid a dividend to holders of record...

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDR) IN MINEBEA CO. LTD.

EDR holders are informed that Minebea Co., Ltd. has paid a dividend to holders of record September 30, 1981. The cash dividend payable is Yen 6.00 per share...

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDR) IN EUROFINMA

European Company for the financing of Railway Rolling Stock 7 1/2% 1973/1988 LOAN OF US\$20,000,000 Bondholders are informed that on December 14, 1981, Bonds for the amount of US\$1,000,000 have been drawn for redemption...

PORTUGAL OIL EXPLORATION ENGINEERING

- 1. DRILLING MUD AND SERVICES 2. MUD LOGGING SERVICE

Petroleos de Portugal, E.P. (PETROGAL), the state oil company of Portugal, is concessionaire for six on-shore petroleum exploration areas in Portugal and has received a loan from the World Bank to meet part of the cost of its exploration project...

The drilling activity is planned to begin on August 1, 1982. Documents for both tenders are now available from PETROGAL and contractors or suppliers interested in obtaining them should write to the address below until...

PETROLEOS DE PORTUGAL, E.P. Direção de Pesquisa e Produção Av. Fontes Pereira de Melo, 6-7th Dt. 100 Lisbon - Portugal

BOTSWANA POWER CORPORATION Morupule Thermal Power Station

Botswana Power Corporation intends to construct a Coal Fired Thermal Power Station adjacent to the Morupule Coal Mine near Palapye. The power station will house 3 x 30 MW turbine-generator sets which will be dry-cooled. Water for the project will be obtained from a well-field sited on the sandstones of the Escarpment north-west of Serowe...

Documents may be collected from either the offices of Botswana Power Corporation, Badireli House, The Mall, Gaborone, or the offices of the Engineer at 25, Buckingham Palace Road, London SW1W 0PP. Alternatively documents can be air freighted directly to the contractor at his expense and risk...

ANNOUNCEMENTS

NATIONAL IRANIAN OIL COMPANY ANNOUNCEMENT

As some agents, middlemen and opportunists have lately attempted to appear as representatives of the NATIONAL IRANIAN OIL COMPANY concerning the sales of crude oil on the international market, and to conduct some negotiations in this respect...

CLUBS

EVE

has outdied the others because of a policy of fair play and value for money. Supper from 10.3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows.

THEATRES

VICTORIA PALACE THEATRE. Opens March 11 Limited Season. Preview March 5-10. ELIZABETH TAYLOR THE LITTLE FISHES by LILLIAN HELL...

CONTRACTS AND TENDERS

London Borough of Newham Department of Planning and Architecture and Architecture - Selective Tendering

The London Borough of Newham Department of Planning and Architecture is reviewing its lists of firms from which selections of restricted numbers of invitations to tender for work and supply of materials and goods will be made from 1st August 1982 onwards.

- Index of Categories of Work for Selective Tendering 1 BUILDING WORKS (a) For Contracts up to and in excess of £1,000,000 (b) For Contracts not exceeding £1,000,000 (c) For Contracts not exceeding £500,000 (d) For Contracts not exceeding £200,000

Application forms, on which applications to be included on this list must be made, may be obtained from the Director of Planning and Architecture, Town Hall Annex, Barking Road, East Ham, London E6 2BP. The form must be returned by Monday 15th February 1982 if the application is to be considered for the initial lists...

POPULAR REPUBLIC OF CONGO MINISTRY OF PUBLIC WORKS AND CONSTRUCTION NATIONAL OFFICE OF TRANSPORTATION AND PUBLIC WORKS CONSTRUCTION OF LOUDIMA - BIHOUA - INDO ROAD

The Ministry of Public Works and Construction of the Popular Republic of Congo is planning to undertake the construction of the LOUDIMA-BIHOUA-INDO Road (77 km). The project is eligible for financing by the European Development Fund (E.D.F.). The project will consist of building a 2nd category road (11 km roadway, 7 m asphalt pavement) over a distance of about 77 km. The road consists of two sections:

- Section I : LOUDIMA - BIHOUA: 57 km to be built entirely. Section II : BIHOUA - INDO: 20 km of existing road to be rehabilitated. The timing shall not exceed 24 months.

BOLTON METROPOLITAN BOROUGH SITE FOR SUPERMARKET WESTHOUGHTON TOWN CENTRE

Minimum Development - 30,000 square feet Maximum Development - 50,000 square feet Site Area - 6.78 acres approx.

Westhoughton is a rapidly developing town in the North West whose potential has been regarded as second only in importance to a designated new town. The intention of Bolton Council is to secure the provision of a much needed supermarket development. A lease of 125 years subject to a ground rent with 5-yearly reviews is being offered.

THEATRES

VICTORIA PALACE THEATRE. Opens March 11 Limited Season. Preview March 5-10. ELIZABETH TAYLOR THE LITTLE FISHES by LILLIAN HELL...

Handwritten text in a box at the top right.

WORLD STOCK MARKETS

NEW YORK section containing various stock market data, including Dow Jones index, NYSE active stocks, and company-specific stock prices.

1981-82 section containing stock market data for 1981-1982, listing various companies and their stock prices.

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1981-82 section containing stock market data for 1981-1982, listing various companies and their stock prices.

Indices section containing various market indices such as Dow Jones, NYSE, and other regional indices.

1981-82 section containing stock market data for 1981-1982, listing various companies and their stock prices.

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1981-82 section containing stock market data for 1981-1982, listing various companies and their stock prices.

Bottom section containing financial news, company announcements, and market commentary.

CURRENCIES, MONEY and GOLD

MONEY MARKETS

Rates follow New York down

INTEREST RATES declined in major financial centres last week, influenced by the easier trend in U.S. rates. The Federal funds overnight rate began at around 13 1/2 per cent, but soon fell to the 12 per cent level, which appears to be a fairly critical point as far as world interest rates are concerned.

however by the bad news that Smith St Aubyn, one of the London discount houses, had made a shattering loss on its gilt-edged trading. In Continental Europe rates also declined, with Frankfurt call money falling more than 1 per cent to under 10 per cent on Tuesday, largely in reaction to an abundant supply of liquidity as a result of securities repurchase agreements with the Bundesbank, totalling DM 15.5bn.

Major Swiss banks cut time deposit rates twice—by a 4 per cent, depending on period on Monday, and by 1 per cent in all categories on Friday—reflecting an easing of Euro Swiss franc rates.

In Amsterdam call money firmed slightly to 10 1/2 per cent from 10 1/4 per cent, but the money market was kept sufficiently liquid by a special advance of Fl 2.64bn at 10 per cent from the Dutch central bank.

WEEKLY CHANGE IN WORLD INTEREST RATES

Table showing weekly change in world interest rates for London, Tokyo, Brussels, and Amsterdam, including rates for various terms like 1 month, 3 months, and 6 months.

London bank 1 bills mature in up to 14 days, bank 2 bills 15 to 23 days, and bank 3 bills 24 to 33 days. Rates quoted represent Bank of England buying or selling rates with the money market during the week.

BANK OF ENGLAND TREASURY BILL TENDER

Table showing Bank of England Treasury Bill tender details for Jan 8 and Dec 81, including total on offer, total applications, and minimum bid.

FT LONDON INTERBANK FIXING

Table showing interbank fixing rates for 3 months U.S. dollars and 6 months U.S. dollars, with bid and offer rates.

LONDON MONEY RATES

Table showing London money rates for Sterling, Local Authority deposits, Finance House deposits, and Discount rates.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 15 per cent, four years 15 1/2 per cent, five years 15 3/4 per cent.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Table showing Euro-currency interest rates for various currencies including Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, and Belgian Franc.

THE POUND SPOT AND FORWARD

Table showing the pound spot and forward rates, including day's spread, close, and one-month forward rates.

THE DOLLAR SPOT AND FORWARD

Table showing the dollar spot and forward rates, including day's spread, close, and one-month forward rates.

CURRENCIES AND GOLD \$ and £ firm

The dollar improved against all major currencies except sterling in quiet foreign exchange trading last week. Eurodollar interest rates were little changed on balance, after fluctuating within a fairly narrow range for most of the time.

FORWARD RATES AGAINST STERLING

Table showing forward rates against sterling for Dollar, D-Mark, Swiss Franc, and Japanese Yen.

GOLD

Table showing gold prices for Gold Bullion (fine ounce), Morning fixing, and Afternoon fixing.

OTHER CURRENCIES

Table showing exchange rates for various currencies including Argentina Peso, Australia Dollar, Brazil Cruzeiro, and others.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates, including ECU central rates and percentage changes.

CURRENCY MOVEMENTS

Table showing currency movements for Sterling, U.S. dollar, Canadian dollar, and others.

EXCHANGE CROSS RATES

Table showing exchange cross rates for Pound Sterling, U.S. Dollar, Deutschmark, and others.

RECENT ISSUES

EQUITIES

Table showing recent issues in equities, including issue price, amount, and latest returns.

FIXED INTEREST STOCKS

Table showing fixed interest stocks, including issue price, amount, and latest returns.

"RIGHTS" OFFERS

Table showing rights offers, including issue price, amount, and latest returns.

Renunciation date usually last day for dealing free of stamp duty. Figures based on prospectus estimate. Dividend date paid: or payable on part of capital covered based on dividend on full capital.

LOCAL AUTHORITY BOND TABLE

Table showing local authority bond details, including authority name, annual interest, and life.

FT UNIT TRUST INFORMATION SERVICE

Large advertisement for FT Unit Trust Information Service, listing various unit trusts and their details.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgmt. Co., Abbey Unit Tr. Mgmt. Co., Abbey Unit Tr. Mgmt. Co., etc. with columns for name, address, and phone number.

FT UNIT TRUST INFORMATION SERVICE

Table listing various unit trusts such as A & C Unit Trust Management Ltd., A & C Unit Trust Management Ltd., A & C Unit Trust Management Ltd., etc. with columns for name, address, and phone number.

Table listing various unit trusts such as Abbey Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., etc. with columns for name, address, and phone number.

Table listing various unit trusts such as A & S Group, A & S Group, A & S Group, etc. with columns for name, address, and phone number.

INSURANCE PROPERTY BONDS

Table listing insurance and property bonds such as Abbey Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd., etc. with columns for name, address, and phone number.

NOTES: Please refer to the notes on the opposite page regarding the unit trusts listed in this section.

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.



BRITISH FUNDS

Table of British Funds with columns for Name, Stock, Price, and Yield.

Five to Fifteen Years

Table of funds categorized by duration: Five to Fifteen Years.

Over Fifteen Years

Table of funds categorized by duration: Over Fifteen Years.

Updated

Table of updated fund information.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table of international bank and overseas government sterling issues.

CORPORATION LOANS

Table of corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table of commonwealth and African loans.

LOANS

Table of loans including Public Board and Financial.

Building Societies

Table of building societies.

FOREIGN BONDS & RAILS

Table of foreign bonds and rails.

AMERICANS

Table of American stocks.

CANADIANS

Table of Canadian stocks.

BANKS AND HIRE PURCHASE

Table of banks and hire purchase.

Hire Purchase, etc.

Table of hire purchase and other services.

BEERS, WINES AND SPIRITS

Table of beer, wine, and spirit companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber, and roads.

ELECTRICALS

Table of electrical companies.

CHEMICALS, PLASTICS—Cont.

Table of chemical and plastic companies.

DRAPERY AND STORES

Table of drapery and store companies.

ENGINEERING MACHINE TOOLS

Table of engineering and machine tool companies.

Table of food and grocery companies.

HOTELS AND CATERERS

Table of hotels and caterers.

INDUSTRIALS (Miscel.)

Table of miscellaneous industrial companies.

MONTHLY INDEX to the FINANCIAL TIMES

For the first time a monthly index to the Financial Times is now available. Of special interest to librarians, information specialists, researchers and managers at all levels, the MONTHLY INDEX to the FINANCIAL TIMES provides straightforward access to a wealth of financial and business intelligence. The Index, split into 3 sections (Corporate, General and Personalities), will help you monitor:

- * Personalities in the news—appointments, major statements, profiles.
* Financial results and company developments worldwide.
* Management, arts, travel, feature pages... and more!



ORDER FORM section with fields for name, address, and subscription details.

CHEMICALS, PLASTICS

Table of chemical and plastic companies.

FOOD, GROCERIES, ETC.

Table of food and grocery companies.

INDUSTRIALS—Continued

Table of industrial stocks including companies like Anglo-TVA, Anglo-TVA, Anglo-TVA, etc. with columns for stock name, price, and change.

LEISURE

Table of leisure stocks including companies like Leisure, Leisure, Leisure, etc. with columns for stock name, price, and change.

PROPERTY—Continued

Table of property stocks including companies like Property, Property, Property, etc. with columns for stock name, price, and change.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like Investment Trusts, Investment Trusts, Investment Trusts, etc. with columns for stock name, price, and change.

OIL AND GAS—Continued

Table of oil and gas stocks including companies like Oil and Gas, Oil and Gas, Oil and Gas, etc. with columns for stock name, price, and change.

NIPPON KANGYO KAKUMARU SECURITIES TOKYO, JAPAN. London: Kangyo Kakumaru (Europe) Tel. 020-4074. Geneva: Kangyo Kakumaru (Swiss) Tel. 261000. Paris: Tel. 296-5401. Frankfurt: Tel. 72 00 81.

MINES—Continued

Table of mines stocks including companies like Mines, Mines, Mines, etc. with columns for stock name, price, and change.

Table of copper prices for January, listing various grades and their prices.

NOTES: Unless otherwise indicated, prices and net dividends are in pence and denominated in 25p. Estimated price/earnings ratios and covers are based on latest reports and are approximate, where possible, are rounded to the nearest whole number.

TEAS: India and Bangladesh. Assam Tea: 285. Assam Tea: 285. Assam Tea: 285. Assam Tea: 285. Assam Tea: 285.

Table of mines stocks including companies like Mines, Mines, Mines, etc. with columns for stock name, price, and change.

Table of regional markets including companies like Regional Markets, Regional Markets, Regional Markets, etc. with columns for stock name, price, and change.

Table of options including companies like Options, Options, Options, etc. with columns for stock name, price, and change.

MOTORS, AIRCRAFT TRADES

Table of motors and aircraft trades stocks including companies like Motors, Motors, Motors, etc. with columns for stock name, price, and change.

SHIPPING

Table of shipping stocks including companies like Shipping, Shipping, Shipping, etc. with columns for stock name, price, and change.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like Shoes, Shoes, Shoes, etc. with columns for stock name, price, and change.

SOUTH AFRICANS

Table of south african stocks including companies like South Africans, South Africans, South Africans, etc. with columns for stock name, price, and change.

TEXTILES

Table of textiles stocks including companies like Textiles, Textiles, Textiles, etc. with columns for stock name, price, and change.

NEWSPAPERS, PUBLISHERS

Table of newspapers and publishers stocks including companies like Newspapers, Newspapers, Newspapers, etc. with columns for stock name, price, and change.

PAPER, PRINTING ADVERTISING

Table of paper, printing and advertising stocks including companies like Paper, Paper, Paper, etc. with columns for stock name, price, and change.

TOBACCOS

Table of tobacco stocks including companies like Tobaccos, Tobaccos, Tobaccos, etc. with columns for stock name, price, and change.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like Trusts, Trusts, Trusts, etc. with columns for stock name, price, and change.

PROPERTY

Table of property stocks including companies like Property, Property, Property, etc. with columns for stock name, price, and change.

INSURANCE

Table of insurance stocks including companies like Insurance, Insurance, Insurance, etc. with columns for stock name, price, and change.

OIL AND GAS

Table of oil and gas stocks including companies like Oil and Gas, Oil and Gas, Oil and Gas, etc. with columns for stock name, price, and change.

Regional Markets: The following is a selection of leading stocks of listed companies based on the London Stock Exchange. Figures are as at close on 10th January 1982.



On stream On time with Capper Neill On site Process Plant Design and Construction Worldwide

Grade may quit Associated chair

BY JOHN MOORE

LORD GRADE, the 75-year-old chairman of Associated Communications Corporation, the entertainment conglomerate, has been considering relinquishing the role of chairman and chief executive for some time, it emerged yesterday.

Associated is expected to make a statement today clarifying the future of its colourful chairman and chief executive.

Mr Ralph Quartano, chief executive of the Post Office Staff Superannuation Fund, said it was working "night and day" preparing its case to block the payment.

Mr Gill, 62, a consultant to Trident Television, is "actively considering" suing Associated for breach of contract if the payment does not go through, according to his lawyers.

which give him effective control of Associated, to Mr Robert Holmes a Court, the Australian entrepreneur.

Nato foreign ministers seek unity over Poland

THE U.S. and its West European allies will make a determined attempt today to forget recent disagreements and present a united front demanding an end to repression in Poland and the restoration of talks between the Government, the free trade union Solidarity, and the Church.

Unions may launch major drive to spell out Labour objectives

BY JOHN LLOYD, LABOUR CORRESPONDENT

UNION LEADERS are considering plans to mount a publicity campaign in support of the Labour Party's objectives, and based on the model of the successful "Mr Cube" company-funded anti-nationalisation campaign of the 1950s and 1960s.

The report concedes that such a campaign might "open the door to the charge that we are using industrial money for a political purpose" (and thus falling foul of the 1913 Trade Union Act).

The report pays a tribute to the "Mr Cube" campaign begun in the 1950s by the sugar company Tate and Lyle.

Halliday Simpson charges called for

By Ray Maughan

THE investigating committee of the Stock Exchange Council has recommended that charges be brought under the Stock Exchange disciplinary code against the seven former partners of the Manchester broking firm of Halliday Simpson.

THE LEX COLUMN New standards in accounting

Standardisation may be the aim of the UK Accounting Standards Committee, but flexibility is the preference of a great many British companies up and down the land.

Standards may be the aim of the UK Accounting Standards Committee, but flexibility is the preference of a great many British companies up and down the land.

Both Wood Mackenzie and Vickers de Costa recommend purchase of the shares, either directly or through Royal Bank, whatever the Commission decides.

Electricity supply industry urges wider discounts for large users

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE ELECTRICITY supply industry has put to the Government a plan to offer large industrial power consumers wider opportunities for price discounts.

The idea is one of the main recommendations in a review of the bulk supply tariff presented to Mr Nigel Lawson, Energy Secretary.

As an initial concession to industrialists, a new type of load management system—called category C—was introduced at the time of last year's Budget.

The report says that profits accruing from substantial orders placed by Arbutnot and the KIO and booked through the open account were transferred to a series of client accounts.

Weather table with columns for UK TODAY and WORLDWIDE, listing temperatures for various cities.

Heavy truck sales plunge by 27%

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

SALES of heavy trucks in the UK fell last year to the lowest level since records began in their current form 40 years ago.

The UK industry has protested strongly at this sharp and at the recent industry-to-industry talks between Britain and Japan, the Japanese agreed to restrict shipments of vans in 1982.

The bus and coach sector suffered nearly as badly as the heavy truck market last year. Registrations fell 23 per cent from 5,792 to 4,441, a level at which some UK bus manufacturers question their ability to survive.

A lesson in logic

If you have ever handled a building project you must have wondered at the logic of having the fragmented responsibilities inherent in traditional methods of building.

including installation of services and if you wish even furnishings. All the while, our Project Controller provides you with a single point of contact.

Advertisement for Shepherd Building Service, featuring an image of a building and contact information for the company.

U.S. steel imports Continued from Page 1

It is satisfied that it has not infringed the trigger-price mechanism, a voluntary arrangement for controlling the prices of imports to the U.S.

Mr Ian MacGregor, BSC chairman, has warned Mr Patrick Jenkin, Industry Secretary, that the U.S. problem is likely to have a major influence on the BSC corporate plan.

London in mid-December the understanding had been that further attempts to defuse the transatlantic steel war would be made.

Jenkins

fight two-thirds of the next 150 most winnable seats. This is to fulfil the new criterion in the guidelines on seats, that each party should have parity of MPs in the next House of Commons.